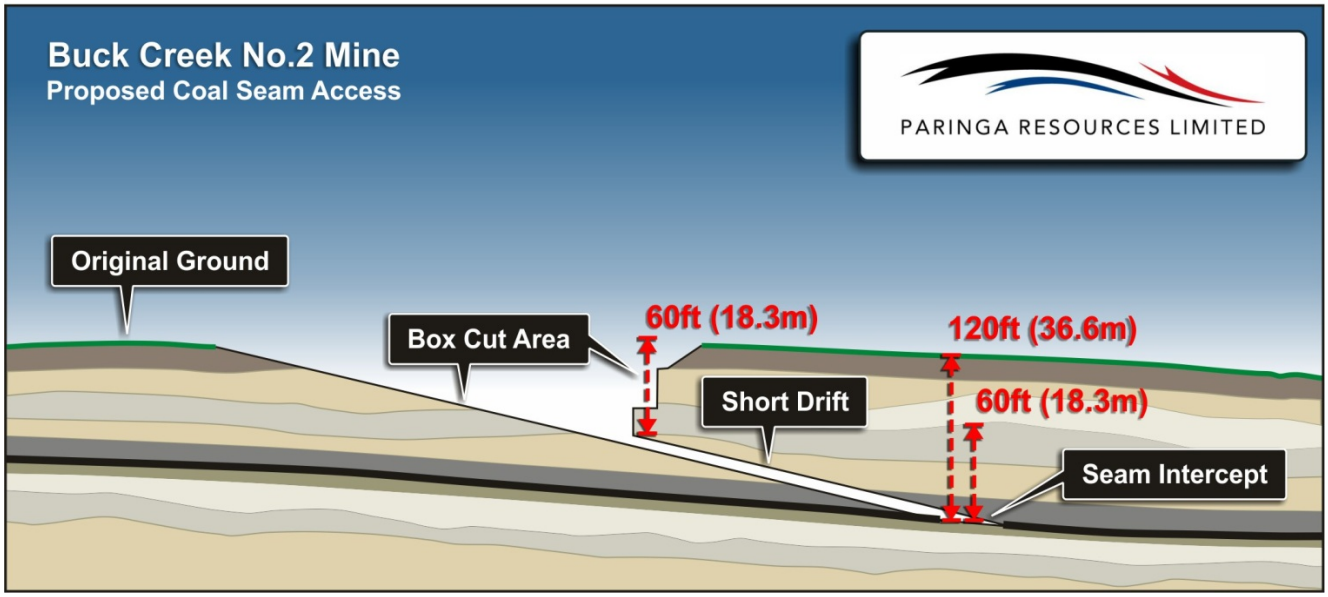
PARINGA RESOURCES LIMITED

24 August 2015

PROPOSED COAL SEAM ACCESS AT BUCK CREEK NO.2 MINE CONFIRMS LOW CAPITAL COST

HIGHLIGHTS:

- ***Shallow depth of coal seam*** *(100 to 125 feet / 30 to 38 metres) at proposed Buck Creek No. 2 Mine allows for access via box cut and drift combination commonly used in the Illinois Basin*
- *Box cut design with low angle short drifts provides* ***significant development time and cost savings*** *over the shaft/slope design used in deeper coal deposits*
- *Proposed box cut will consist of a rectangular excavation from the original surface approximately halfway to the WK No. 9 coal seam*
- *Ongoing technical study for the Buck Creek No.2 Mine has produced extremely positive results which will now be incorporated into a more comprehensive* ***Scoping Study***
- *The Scoping Study for the Buck Creek No.2 Mine, which will be prepared in accordance with the JORC Code, will be completed during the fourth quarter of 2015*



Paringa's President and Chief Executive Officer, Mr David Gay, said: *"The technical study for Buck Creek No.2 Mine has yielded extremely positive results after evaluating a number of development options. These results will now provide a strong platform to rapidly progress a more comprehensive Scoping Study for the project, which we plan to complete during the fourth quarter of 2015."*

"The technical study has shown that the Buck Creek No.2 Mine has the potential to be a very low development cost project due to the shallow depth of the coal seam and ability to access the coal via a box cut and drift design. The combined box cut and low angle drift method is the preferred choice in the Illinois Basin as it significantly reduces the construction cost and timeframe for shallow deposits such as ours."

For further information contact:

David Gay
Managing Director

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Business Development

Paringa Resources Limited ("**Paringa**" or "**Company**") is pleased to advise that the Company has completed its initial mine development and coal seam access design for the proposed Buck Creek No.2 Mine, which is located within the Company's Buck Creek Mining Complex and to the south of Buck Creek No.1 Mine's proposed 3.8 million tons per annum ("**Mtpa**") coal operation.

Due to the shallow depth of the WK No.9 coal seam from the surface (being approximately 100 to 125 feet / 30 to 38 metres at the eastern edge of the proposed mine plan area), access to the proposed Buck Creek No. 2 mine will be provided by a combination box cut and drifts for ventilation, transport of personnel, materials and Run of Mine ("**ROM**") coal.

This box cut and drift design will be incorporated into the Scoping Study that the Company is currently completing for the Buck Creek No.2 Mine. The Scoping Study follows positive results from the technical study for the Buck Creek No.2 Mine, and will be prepared in accordance with the JORC Code. The Company expects to complete the Scoping Study during the fourth quarter of 2015.

The Buck Creek Mining Complex has over 1,200 coal seam intercepts providing a significant level of understanding of the Western Kentucky No.9 ("**WK No.9**") coal seam within the property. Earlier in the year, Paringa completed a seven-hole development drilling program at the Buck Creek No.2 Mine to assist with the initial engineering design and orientation of the planned mine portal.

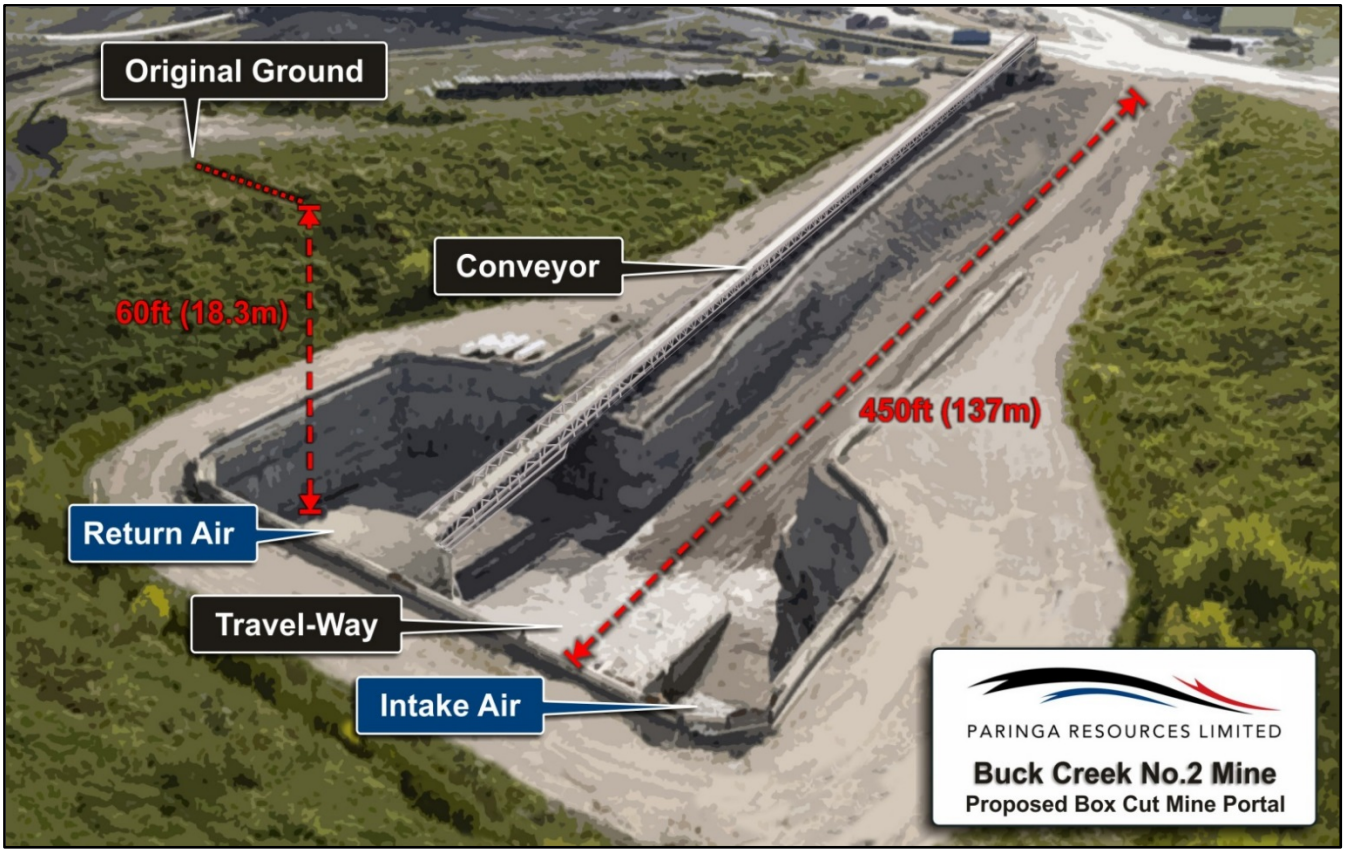


Figure 1: Top View of Proposed Box Cut and Four Drift Portals at the Buck Creek No.2 Mine

The box cut will consist of a rectangular excavation from the original surface approximately halfway (60 feet of 120 feet depth) to the WK No. 9 seam level with the remaining depth traversed by a series of decline drifts developed through the overburden rock above the WK No. 9 seam. As currently proposed the box cut will be approximately 300 feet wide and 100 feet long at its deepest level. This combined box cut/drift method of coal seam access is commonly used in the Illinois Basin to reduce construction expense where coal seams are relatively shallow.

It is proposed that four (4) drifts will be constructed at the bottom of the box cut for an exhaust air portal, a conveyor entry portal, a roadway/vehicle entry portal, and a blowing fan/intake air portal. The four drifts will be driven using continuous mining equipment. Roof support in these drifts will be similar to standard roof support for main entries within the mine. The drifts will be driven at a decline of 8.4 degrees and will each be approximately 405 feet in length.

The box cut design will include a drive-able ramp from the surface facility area to the bottom of the box cut for vehicle access. This ramp will be constructed to include the conveyor from the portal area to the raw coal stockpile.

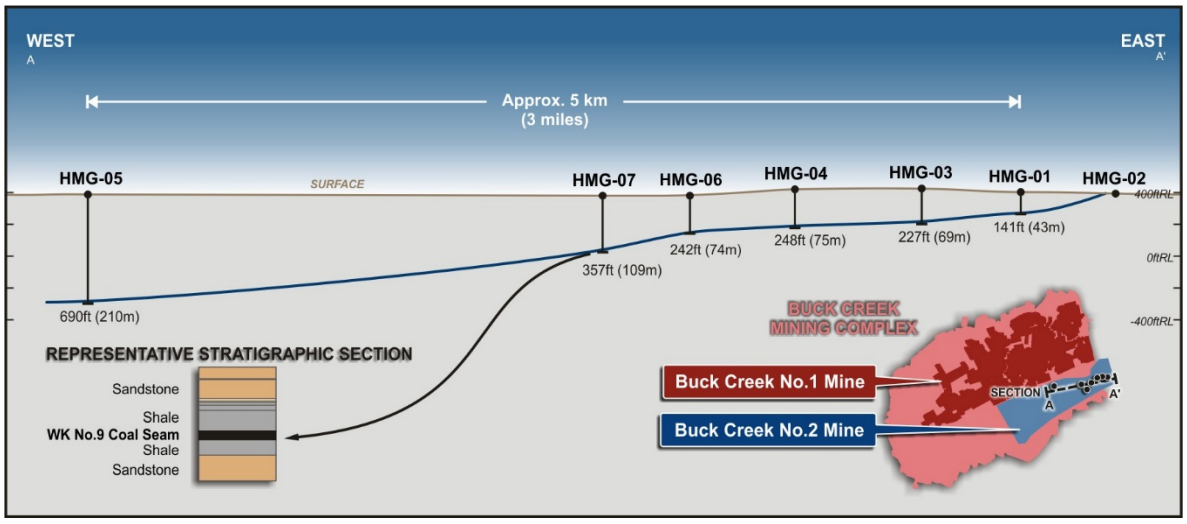


Figure 2: Cross-Section of Recent Development Drill Holes at Buck Creek No.2 Mine

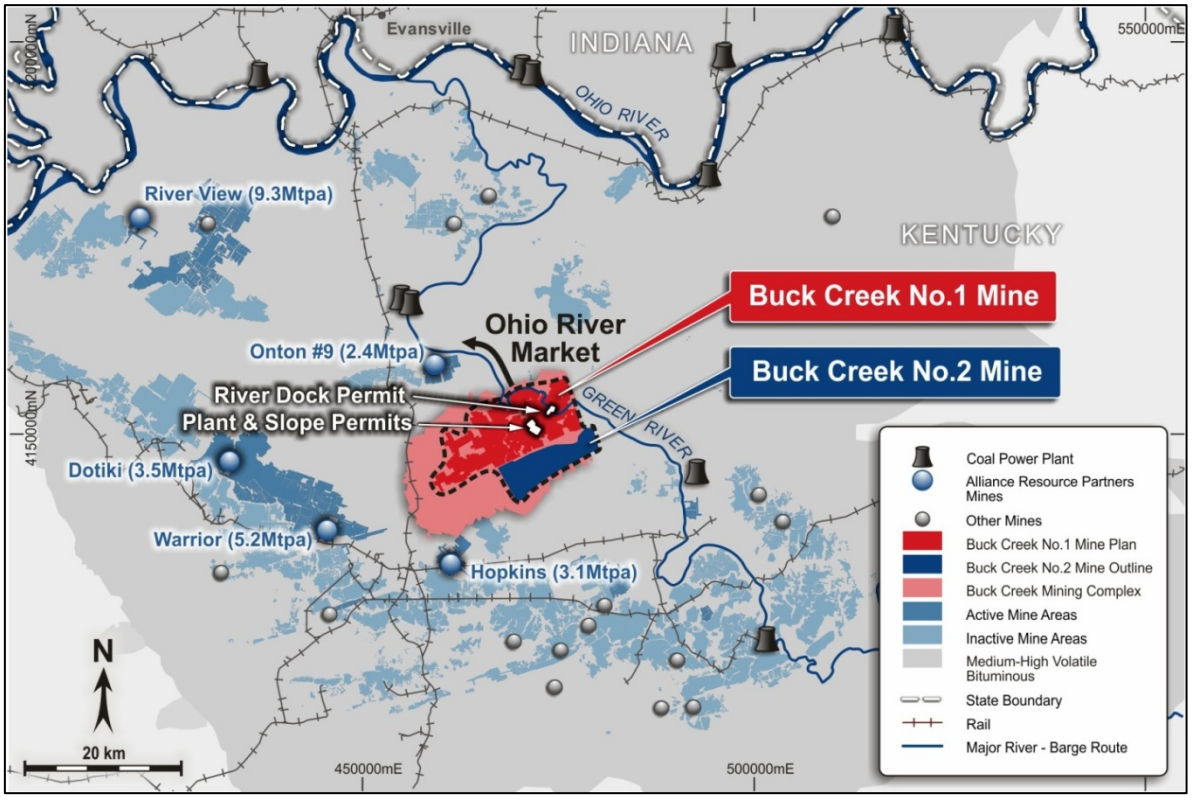


Figure 3: Location of Buck Creek No.1 and No.2 Mine

BUCK CREEK MINING COMPLEX

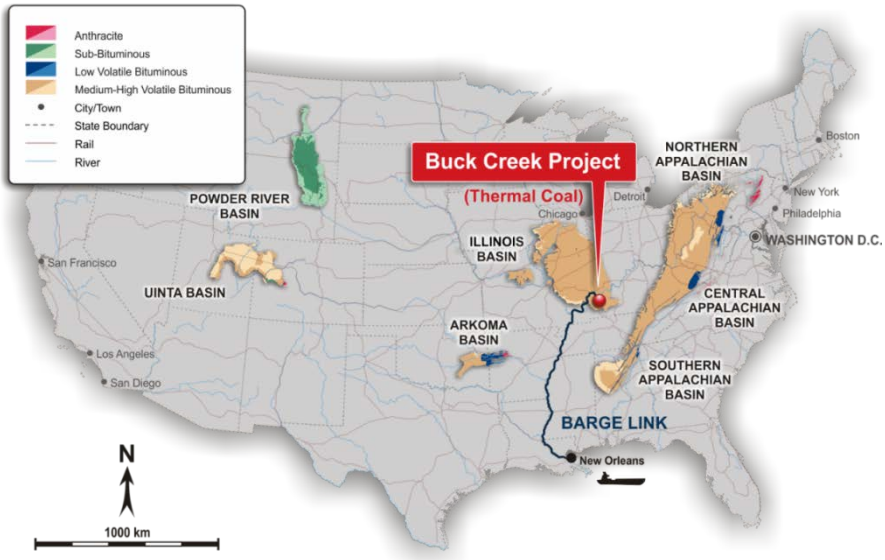
The Buck Creek Mining Complex is located in the Western Kentucky region of the Illinois Coal Basin ("**ILB**") which is one of the most prolific coal producing regions in the United States. Paringa controls over 32,200 gross acres (~13,842 ha) of coal leases within an area of interest of approximately 72,000 acres (~28,000 ha). The Buck Creek Mining Complex is one of the few remaining contiguous high quality thermal coal projects within the Western Kentucky No. 9 ("**WK No. 9**") seam that is not controlled by one of the major United States coal companies. It offers one of the highest quality, highest heating value products in the ILB. The WK No. 9 is now the second largest producer of coal in the United States by coal seam.

The Buck Creek Mining Complex has a JORC Measured and Indicated Coal Resource Estimate of 211 million tons (~192 million tonnes) of high quality thermal coal. The Project's Marketable Ore Reserve is classified as a Proven and Probable Ore Reserve Estimate, of which 16.4 million tons (or 26 percent) is considered proven and 46.3 million tons (or 74 percent) is considered probable.

Buck Creek Mining Complex – Coal Resource Estimate							
CRE Tonnage (Mt)					**Product Quality (+4% Eq. Moisture)**		
Measured	Indicated	**Total Measured & Indicated**	Inferred	**Total**	Calorific Value	Ash	Yield
57.7	153.5	**211.2**	5.3	**216.5**	11,855 Btu/lb (6,583 Kcal/kg)	8.35%	92.9%

Buck Creek No.1 Mine Maiden Ore Reserve Estimate						
Recoverable Coal Reserve (Mt)			**Product Yield**	**Marketable Coal Reserve (Mt)**		
Proven	Probable	**Total**	%	Proven	Probable	**Total**
22.25	62.91	**85.16**	73.54%	16.36	46.27	**62.63**

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



Location of the Buck Creek Mining Complex

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.

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 17 March 2015 entitled 'Paringa Delivers Exceptional Pre-Feasibility Study at the Buck Creek No.1 Mine' and 25 February 2015 entitled 'Substantial 54% Increase in Measured and Indicated Coal Resources to 211 Million Tons' 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 presentation have not been materially modified from the original ASX announcements.