



PARINGA RESOURCES LIMITED

**Interim Financial Report
for the Half-Year Ended
31 December 2014**

ABN 44 155 933 010

CORPORATE DIRECTORY

DIRECTORS:

Mr Ian Middlemas – Chairman
 Mr Anastasios Arima – Executive Director
 Mr David Chapman – Non-Executive Director
 Mr David Griffiths – Non-Executive Director
 Mr Todd Hannigan – Non-Executive Director
 Mr Thomas Todd – Alternate Director

OFFICERS:

Mr David Gay – Chief Executive Officer
 Mr Mathew Haaga – Chief Operating Officer
 Mr Rick Kim – General Manager
 Mr James Plaisted – VP, Coal Sales and Marketing
 Mr Nathan Ainsworth – Business Development Manager
 Mr Gregory Swan – Company Secretary

REGISTERED OFFICE:

Level 9, BGC Centre
 28 The Esplanade
 Perth WA 6000
 Tel: +61 8 9322 6322
 Fax: +61 8 9322 6558

STOCK EXCHANGE LISTING:

Australian Securities Exchange
 ASX Code: PNL – Fully paid ordinary shares

SHARE REGISTRY:

Computershare Investor Services Pty Ltd
 Level 2
 45 St Georges Terrace
 Perth WA 6000
 Tel: 1300 557 010
 Int: +61 8 9323 2000
 Fax: +61 8 9323 2033

SOLICITORS:

Hardy Bowen Lawyers

BANKERS:

Australia and New Zealand Banking Group Ltd

AUDITOR:

Deloitte Touche Tohmatsu

CONTENTS

	Page
Directors' Report	1
Directors' Declaration	5
Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income	6
Condensed Consolidated Statement of Financial Position	7
Condensed Consolidated Statement of Changes in Equity	8
Condensed Consolidated Statement of Cash Flows	9
Notes to the Condensed Consolidated Financial Statements	10
Auditor's Independence Declaration	14
Independent Auditor's Review Report	15

DIRECTORS' REPORT

The Directors of Paringa Resources Limited present their report on the Consolidated Entity consisting of Paringa Resources Limited (“**Company**” or “**Paringa**”) and the entities it controlled during the half-year ended 31 December 2014 (“**Consolidated Entity**” or “**Group**”).

DIRECTORS

The names and details of the Company’s Directors in office at any time during or since the end of the half-year are as follows:

Mr Ian Middlemas	Non-Executive Chairman
Mr Anastasios Arima	Executive Director
Mr David Chapman	Non-Executive Director
Mr David Griffiths	Non-Executive Director
Mr Todd Hannigan	Non-Executive Director
Mr Thomas Todd	Alternate Director

Unless otherwise shown, all Directors were in office from the beginning of the half-year until the date of this report.

OPERATING AND FINANCIAL REVIEW

Operations

During the half-year, the Company continued to focus on the development of the Buck Creek Coal Mining Complex (“**Buck Creek**” or “**Project**”), an advanced coal project 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.

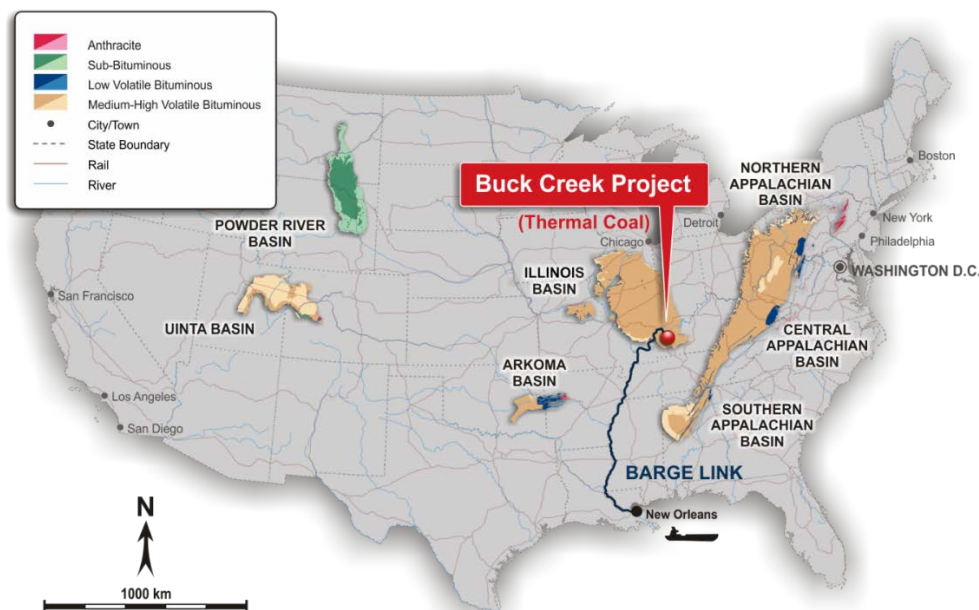


Figure 1: Location of the Buck Creek Mining Complex

Highlights

Highlights during the half-year and since the end of the half-year include:

- (i) Secured new strategic coal leases within the Buck Creek Mining Complex which will be incorporated into the Pre-Feasibility Study (“**PFS**”) mine plan for the Buck Creek No.1 Mine and consolidates one of the last remaining undeveloped, large-scale coal deposits in the Illinois Basin;
- (ii) Announced an updated Coal Resource Estimate (“**CRE**”) for the Buck Creek Mining Complex comprising Measured and Indicated Resources of 211 million tons (~192 million tonnes), representing a 54% increase from the maiden CRE announced in November 2013;

DIRECTORS' REPORT (Continued)

OPERATING AND FINANCIAL REVIEW (Continued)

Highlights (Continued)

- (iii) Progressed the PFS for the Buck Creek No. 1 Mine which remains on schedule for release to the market during the March 2015 quarter;
- (iv) Completed development drilling at the Buck Creek No. 1 Mine to assist with the detailed engineering design of the shafts and slope for the PFS;
- (v) Completed positive initial discussions with local power utilities regarding opportunities to secure "mine opening contracts" to underpin the financing and construction of the Buck Creek No. 1 Mine;
- (vi) Commenced a Technical Study on the Buck Creek No. 2 Mine located south of the Buck Creek No. 1 Mine's proposed 3.4mtpa coal operation and within the Buck Creek Mining Complex;
- (vii) Buck Creek No. 2 Mine provides excellent potential for low capital expenditure development given shallow coal seam depth at the planned mine portal and ability to utilise the majority of planned infrastructure at the Buck Creek No. 1 Mine;
- (viii) Appointed Mr Rick Kim as General Manager of the Buck Creek Project. Mr Kim is an experienced coal operator having managed mines for Arch Coal Inc. and Massey Energy Co. and will oversee the PFS for the Buck Creek No. 1 Mine and Technical Study for the Buck Creek No. 2 Mine; and
- (ix) Completed a placement of 12.5 million shares to institutional and sophisticated investors in Australia and North America at an issue price of A\$0.40 each to raise gross proceeds of A\$5.0 million.

Buck Creek Mining Complex

Buck Creek is located in the Western Kentucky region of the ILB which is one of the most prolific coal producing regions in the United States. Paringa controls over 33,500 gross acres (~13,500 ha) of coal leases.

The Project has a Coal Resource Estimate of 216 million tons (~196 million tonnes) of high quality thermal coal with over 98% in the Measured and Indicated categories.

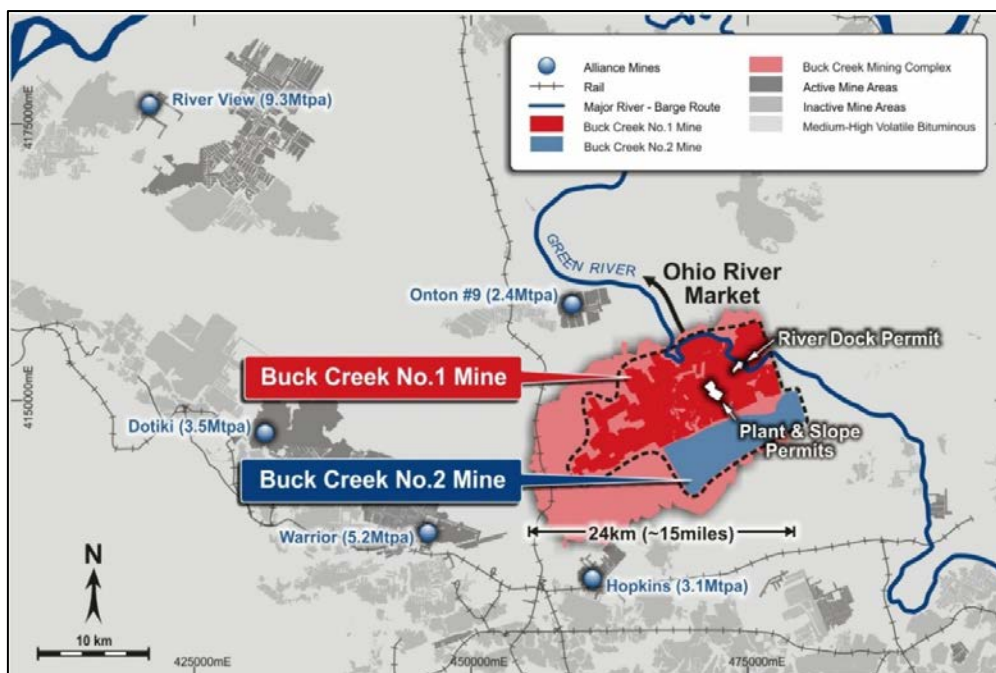


Figure 2: Location of the Buck Creek No. 1 and No. 2 Mine Areas

DIRECTORS' REPORT (Continued)

OPERATING AND FINANCIAL REVIEW (Continued)

Buck Creek Mining Complex (Continued)

Buck Creek 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 Project 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.

Buck Creek Mining Complex – Coal Resource Estimate (WK No.9 Seam)				
Measured (Mt)	Indicated (Mt)	Total Measured and Indicated (Mt)	Inferred (Mt)	Total (Mt)
57.7	153.5	211.2	5.3	216.5

Buck Creek Mining Complex – Coal Quality (+4% Eq. Moisture)	
Calorific Value	11,893 Btu/lb (6,600 Kcal/kg)
Ash	8.4%
Yield	92.9%

Results of Operations

The Group recorded a consolidated operating loss before tax of \$2,703,569 (31 December 2013: \$1,516,466) for the half-year ended 31 December 2014. This result is largely attributable to:

- (i) Exploration and evaluation expenses of \$1,963,746 (31 December 2013: \$905,926), which is attributable to the Group's accounting policy of expensing exploration and evaluation expenditure incurred by the Group subsequent to the acquisition of the rights to explore and up to the successful completion of definitive feasibility studies for each separate area of interest; and
- (ii) Non-cash share-based payment expenses of \$76,991 (31 December 2013: \$343,818), which is attributable to the Group's accounting policy of expensing the value (estimated using an option pricing model) of unlisted options and performance rights granted to key employees and consultants. The value is measured at grant date and recognised over the period during which the option and rights holders become unconditionally entitled to the options and/or rights.

Financial Position

At 31 December 2014, the Company had cash reserves of \$6,400,415 (30 June 2014: \$4,511,985) and no debt. The Company is in a strong financial position to conduct its current and planned exploration and development activities.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

- (i) On 30 January 2015, the Company granted 1,233,333 performance rights to the Chief Executive Officer and other key employees and contractors of the Company pursuant to the Company's Performance Rights Plan;
- (ii) On 18 February 2015, the Company announced that it had secured new strategic coal leases within the Buck Creek Mining Complex which will be incorporated into the PFS mine plan for the Buck Creek No.1 Mine; and
- (iii) On 25 February 2015, the Company announced an updated CRE for the Buck Creek Mining Complex comprising Measured and Indicated Resources of 211 million tons (~192 million tonnes).

Other than as disclosed above, at the date of this report there were no significant events occurring after balance date requiring disclosure.

DIRECTORS' REPORT (Continued)

AUDITOR'S INDEPENDENCE DECLARATION

Section 307C of the Corporations Act 2001 requires our auditors, Deloitte Touche Tohmatsu, to provide the directors of Paringa Resources Limited with an Independence Declaration in relation to the review of the half-year financial report. This Independence Declaration is on page 17 and forms part of this Directors' Report.

Signed in accordance with a resolution of the Directors.



ANASTASIOS ARIMA
Executive Director

10 March 2015

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.

The Company advises that the information relating to the Scoping Study referred to in this announcement is based on lower-level technical and preliminary economic assessments, and is insufficient to support estimation of Ore Reserves or to provide assurance of an economic development case at this stage, or to provide certainty that the conclusions of the Scoping Study will be realised.

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 25 February 2015 entitled 'Substantial 54% Increase in Coal Resources' which are available to view on the Company's website at www.paringaresources.com.au.

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 presentation have not been materially modified from the original ASX announcements.

Competent Persons Statements

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.

DIRECTORS' DECLARATION

In accordance with a resolution of the Directors of Paringa Resources Limited, I state that:

In the opinion of the Directors:

- (a) the attached financial statements and notes thereto for the period ended 31 December 2014 are in accordance with the Corporations Act 2001, including:
 - (i) section 304 (compliance with accounting standards and Corporations Regulations 2001); and
 - (ii) section 305 (true and fair view); and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board



ANASTASIOS ARIMA
Executive Director

10 March 2015

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME**
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

	Half-Year Ended 31 December 2014 \$	Half-Year Ended 31 December 2013 \$
Continuing operations		
Interest revenue	117,485	143,528
Exploration and evaluation expenses	(1,963,746)	(905,926)
Corporate and administration expenses	(391,062)	(338,700)
Business development and investor relations expenses	(389,255)	(60,645)
Share based payment expenses	(76,991)	(343,818)
Other expenses	-	(10,905)
Loss before income tax	(2,703,569)	(1,516,466)
Income tax expense	-	-
Net loss for the period	(2,703,569)	(1,516,466)
Other comprehensive income		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Exchange differences on translation of foreign operations	407,253	96,898
Total other comprehensive income for the period	407,253	96,898
Total comprehensive loss for the period	(2,296,316)	(1,419,568)
Loss per share		
Basic and diluted loss per share (cents per share)	(2.0)	(1.9)

The above Condensed Consolidated Statement of Profit or Loss and other Comprehensive Income should be read in conjunction with the accompanying notes.

**CONDENSED CONSOLIDATED STATEMENT OF
FINANCIAL POSITION**
AS AT 31 DECEMBER 2014

	Note	31 December 2014 \$	30 June 2014 \$
ASSETS			
Current Assets			
Cash and cash equivalents		6,400,415	4,511,985
Trade and other receivables		14,748	44,512
Other current assets		12,281	10,431
Total Current Assets		6,427,444	4,566,928
Non-Current Assets			
Exploration and evaluation assets	3	16,403,935	15,594,564
Plant and equipment		45,028	59,659
Other non-current assets		104,627	90,378
Total Non-Current Assets		16,553,590	15,744,601
TOTAL ASSETS		22,981,034	20,311,529
LIABILITIES			
Current Liabilities			
Trade and other payables		301,349	254,625
Deferred consideration payable		1,226,091	1,011,727
Provisions		3,675	27,039
Total Current Liabilities		1,531,115	1,293,391
TOTAL LIABILITIES		1,531,115	1,293,391
NET ASSETS		21,449,919	19,018,138
EQUITY			
Contributed equity	4	29,376,185	24,725,079
Reserves	5(a)	1,008,159	523,915
Accumulated losses		(8,934,425)	(6,230,856)
TOTAL EQUITY		21,449,919	19,018,138

The above Condensed Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

	Contributed Equity	Share-based Payments Reserve	Foreign Currency Translation Reserve	Accumulated Losses	Total Equity
	\$	\$	\$	\$	\$
Balance at 1 July 2014	24,725,079	581,941	(58,026)	(6,230,856)	19,018,138
Net loss for the period	-	-	-	(2,703,569)	(2,703,569)
Other comprehensive income for the period	-	-	407,253	-	407,253
Total comprehensive income/(loss) for the period	-	-	407,253	(2,703,569)	(2,296,316)
Transactions with owners recorded directly in equity					
Share placement	5,000,000	-	-	-	5,000,000
Share issue costs	(348,894)	-	-	-	(348,894)
Share based payments expense	-	76,991	-	-	76,991
Balance at 31 December 2014	29,376,185	658,932	349,227	(8,934,425)	21,449,919
Balance at 1 July 2013 originally stated	10,400,784	-	11,969	(686,404)	9,726,349
Change in accounting policy opening balance adjustment	-	-	(6,794)	(1,385,353)	(1,392,147)
At 1 July 2013 restated	10,400,784	-	5,175	(2,071,757)	8,334,202
Net loss for the period	-	-	-	(1,516,466)	(1,516,466)
Other comprehensive income for the period	-	-	96,898	-	96,898
Total comprehensive income/(loss) for the period	-	-	96,898	(1,516,466)	(1,419,568)
Transactions with owners recorded directly in equity					
Shares issued to acquire controlled entity	13,420,000	-	-	-	13,420,000
Recognition of share based payments	-	343,818	-	-	343,818
Balance at 31 December 2013	23,820,784	343,818	102,073	(3,588,223)	20,678,452

The above Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

	Note	Half-Year Ended 31 December 2014 \$	Half-Year Ended 31 December 2013 \$
Cash flows from operating activities			
Payments to suppliers and employees		(2,662,549)	(1,319,765)
Interest received		111,820	46,577
Net cash outflow from operating activities		(2,550,729)	(1,273,188)
Cash flows from investing activities			
Net cash inflow on acquisition of controlled entity		-	47,130
Payments for exploration and evaluation assets		(224,715)	(81,304)
Proceeds on sale of plant and equipment		-	500
Payments for plant and equipment		(19,573)	(7,238)
Payments for refundable deposits		-	(96,118)
Net cash outflow from investing activities		(244,288)	(137,030)
Cash flows from financing activities			
Repayment of borrowings		-	(100,000)
Proceeds from issue of shares	4(b)	5,000,000	-
Payments for share issue costs	4(b)	(348,894)	-
Net cash (outflow)/inflow from financing activities		4,651,106	(100,000)
Net increase/(decrease) in cash and cash equivalents		1,856,089	(1,510,218)
Net foreign exchange differences		32,341	13,748
Cash and cash equivalents at beginning of the period		4,511,985	8,007,091
Cash and cash equivalents at the end of the period		6,400,415	6,510,621

The above Condensed Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of Compliance

This general purpose financial report for the interim half-year reporting period ended 31 December 2014 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report of Paringa Resources Limited for the year ended 30 June 2014 and any public announcements made by Paringa Resources Limited and its controlled entities during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

(b) Basis of Preparation of Half-Year Financial Report

The financial statements have been prepared on an accruals basis and are based on historical cost. All amounts are presented in Australian dollars.

The financial statements for the half-year have been prepared on the basis of going concern, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

(c) New Standards, Interpretations and Amendments

The accounting policies and methods of computation adopted in the preparation of the consolidated half-year financial report are consistent with those adopted and disclosed in the company's annual financial report for the year ended 30 June 2014.

In the current period, the Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2014. New and revised standards and amendments thereof and interpretations effective for the current half-year that are relevant to the Group include:

- AASB 132 *Financial Instruments: Presentation* and AASB 2012-3 Amendments to Australian Accounting Standards arising from AASB 132;
- AASB 136 *Impairment of Assets* and AASB 2013-3 Amendments to Australian Accounting Standards arising from AASB 136; and
- AASB 1031 *Materiality* and AASB 2013-9 (Part B) Amendments to Australian Accounting Standards to delete references to AASB 1031.

The adoption of new and revised Standards and Interpretations has not affected the amounts reported for the current or prior periods. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

(Continued)

2. SEGMENT NOTE

AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Consolidated Entity that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

The Consolidated Entity operates in one segment, being mineral exploration. This is the basis on which internal reports are provided to the Directors for assessing performance and determining the allocation of resources within the Consolidated Entity.

	Note	31 December 2014 \$	30 June 2014 \$
United States of America		16,553,590	15,735,578
Brazil		-	953
Australia		-	8,070
		16,553,590	15,744,601

3. EXPLORATION AND EVALUATION ASSETS

	31 December 2014 \$	30 June 2014 \$
(a) Areas of Interest		
Buck Creek Coal Project	15,798,364	15,078,210
Arkoma Coal Project	605,571	516,354
Carrying amount at end of the period¹	16,403,935	15,594,564
(b) Reconciliation		
Carrying amount at start of period	15,594,564	218,618
Acquisition of controlled entity	-	15,358,092
Additions	268,817	210,737
Impairment	-	(218,618)
Exchange differences on translation of foreign operations	540,554	25,735
Carrying amount at end of the period¹	16,403,935	15,594,564

Notes:

¹ The ultimate recoupment of costs carried for exploration and evaluation expenditure is dependent on the successful development and commercial exploitation or sale of the respective areas.

4. CONTRIBUTED EQUITY

(a) Issued Capital

	Note	31 December 2014	30 June 2014
137,583,334 fully paid ordinary shares (30 June 2014: 125,083,334)	4(b)	29,376,185	24,725,079

NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

(Continued)

4. CONTRIBUTED EQUITY (Continued)

(b) Movements in fully paid ordinary shares during the past six months

Date	Details	Number of Shares	\$
1 Jul 2014	Opening Balance	125,083,334	24,725,079
29 Jul 2014	Share placement	12,500,000	5,000,000
29 Jul 2014	Share issue costs	-	(348,894)
31 Dec 2014	Closing Balance	137,583,334	29,376,185

5. RESERVES

(a) Reserves

	Note	31 December 2014	30 June 2014
Share based payments reserve	5(b)	658,932	581,941
Foreign currency translation reserve		349,227	(58,026)
		1,008,159	523,915

(b) Movements in options and rights during the past six months

Date	Details	Number of Options	Number of Rights	\$
1 Jul 2014	Opening Balance	3,900,000	4,400,000	581,941
31 Oct 2014	Grant of employee incentive securities	-	2,630,000	-
31 Dec 2014	Expiry/ Lapse of employee incentive securities	-	(1,233,333)	(333,567)
31 Dec 2014	Recognition of share based payments	-	-	410,558
31 Dec 2014	Closing Balance	3,900,000	5,796,667	658,932

6. CONTINGENT ASSETS AND LIABILITIES

There have been no changes in contingent assets or liabilities since the date of the last annual report.

7. DIVIDENDS PAID OR PROVIDED FOR

No dividend has been paid or provided for during the half year (31 December 2013: nil).

8. FINANCIAL INSTRUMENTS

(a) Fair value measurement

At 31 December 2014 the Group had no material financial assets and liabilities that are measured on a recurring basis, and at 31 December 2014, the carrying amount of financial assets and financial liabilities for the Group is considered to approximate their fair values.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014
(Continued)

9. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

- (i) On 30 January 2015, the Company granted 1,233,333 performance rights to the Chief Executive Officer and other key employees and contractors of the Company pursuant to the Company's Performance Rights Plan;
- (ii) On 18 February 2015, the Company announced that it had secured new strategic coal leases within the Buck Creek Mining Complex which will be incorporated into the PFS mine plan for the Buck Creek No.1 Mine; and
- (iii) On 25 February 2015, the Company announced an updated CRE for the Buck Creek Mining Complex comprising Measured and Indicated Resources of 211 million tons (~192 million tonnes).

Other than as disclosed above, at the date of this report there were no significant events occurring after balance date requiring disclosure.

The Board of Directors
Paringa Resources Limited
Level 9, BGC Centre
28 The Esplanade
Perth WA 6000

10 March 2015

Dear Board Members

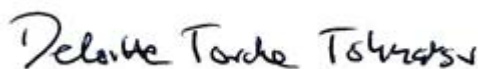
Paringa Resources Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Paringa Resources Limited.

As lead audit partner for the review of the financial statements of Paringa Resources Limited for the financial half-year ended 31 December 2014, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours sincerely



DELOITTE TOUCHE TOHMATSU



David Newman
Partner
Chartered Accountants

Independent Auditor's Review Report to the members of Paringa Resources Limited

We have reviewed the accompanying half-year financial report of Paringa Resources Limited, which comprises the condensed statement of financial position as at 31 December 2014, and the condensed statement of profit or loss and other comprehensive income, the condensed statement of cash flows and the condensed statement of changes in equity for the half-year ended on that date, selected explanatory notes and, the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the end of the half-year or from time to time during the half-year as set out on pages 5 to 13.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of Paringa Resources Limited's financial position as at 31 December 2014 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Paringa Resources Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Auditor's Independence Declaration

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Paringa Resources Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Paringa Resources Limited is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.


DELOITTE TOUCHE TOHMATSU



David Newman
Partner
Chartered Accountants
Perth, 10 March 2015