

POPLAR GROVE MINE CONSTRUCTION TO COMMENCE IN JULY FOLLOWING AWARD OF SITE DEVELOPMENT CONTRACT

HIGHLIGHTS:

- ***Construction of the Poplar Grove Mine to commence in July 2017 with first coal production on schedule for July 2018***
- ***Commencement of construction follows a competitive final bidding process with Paringa awarding a bulk earthworks and site development contract for the Poplar Grove Mine***
- ***Contract covers excavation and development activities for the box-cut development and mine site area, preparation plant facility area, refuse area at the Poplar Grove Mine and the barge load-out facility area on the Green River***
- ***Paringa has now secured 100% of the surface property for the location of the Poplar Grove mine and barge load-out facility and is now currently establishing power to the mine site and beginning mobilization of site development equipment***
- ***Paringa is highly encouraged with the competitiveness of the bidding process for all major capital items and looks forward to providing further updates over the coming weeks***

Paringa Resources Limited (“**Paringa**” or “**Company**”) is pleased to announce that it has awarded a contract for the excavation and site development works at the Poplar Grove Mine. The fixed price contract encompasses the box-cut development and mine site area, preparation plant facility area, refuse area and the Buck Creek barge load-out area at the Green River.

Following a competitive final bidding process, the contract has been awarded to Pollard & Sons Excavating, LCC based in Madisonville, Kentucky who has successfully completed a series of recent excavation projects of similar size for other coal mining companies in western Kentucky. The contract amount is equal to the amount budgeted for in the final Bankable Feasibility Study (“**BFS**”) released to the Australian Securities Exchange (“**ASX**”) on 28 March 2017.

Paringa has now secured 100% of the surface property for the location of the Poplar Grove mine site and Buck Creek barge load-out facility. The Company is currently establishing power to the Poplar Grove mine site and is beginning the mobilization of site development equipment for excavation and site development activities.

Paringa is highly encouraged with the competitiveness of the final bidding process for all major capital items to construct the Poplar Grove Mine. Paringa remains on track to deliver the construction of the Poplar Grove mine on schedule and on time, with excavation of the box-cut expected to begin July 2017 with first coal production due July 2018.

Paringa's CEO, Mr. Todd Hannigan, said: "The tendering process for all major capital items is now closed and the Paringa team has conducted an exhaustive and competitive final bidding process. Paringa's approach generally has been to mitigate risk as much as possible and as such, the Company is focused on executing appropriate contracts for the major capital items to build the Poplar Grove Mine to ultimately mitigate price and timing risk to the extent possible. The Company remains on track to deliver on the commitments we made to our shareholders in commencing construction at Poplar Grove Mine as planned in July 2017, with first coal production due July 2018."

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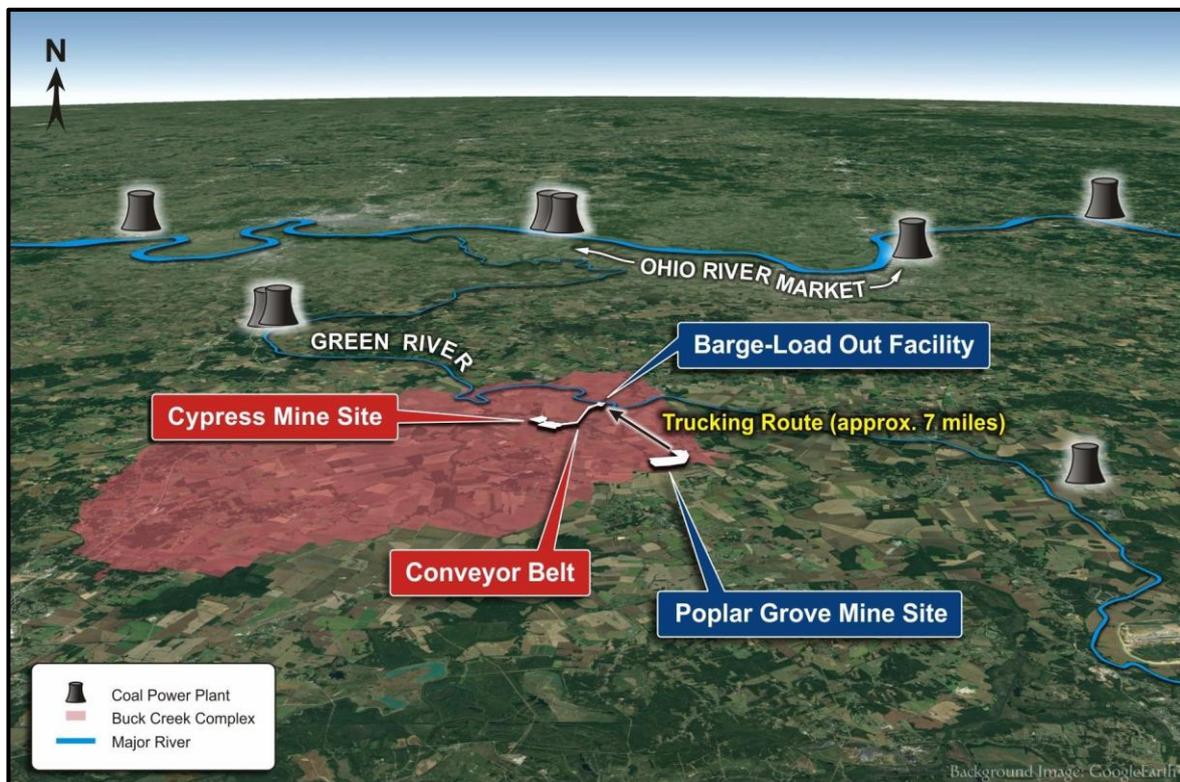


Figure 1: The Buck Creek Complex including the Permitted Poplar Grove and Cypress Mines, and Permitted Barge Load-Out Facility

Forward Looking Statements

This report 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 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. Mr. Suehs consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to Coal Reserves, Production Targets, Mining, Coal Preparation, Infrastructure, and Cost Estimation was extracted from Paringa's ASX announcements dated November 21, 2016 entitled 'BFS Confirms Low Capex Project With High Financial Returns', October 17, 2016 entitled 'Discovery of Additional Major Coal Seam at Poplar Grove Mine', and December 2, 2015 entitled 'BFS Confirms Buck Creek will be a Low Capex, High Margin Coal Mine' 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 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 Exploration target, 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.