

PARINGA TO RECAPITALISE AND ACQUIRE ADDITIONAL GOLD-COPPER TENEMENT IN WESTERN AUSTRALIA

Paringa Resources Limited (“Paringa” or “Company”) (ASX:PNL) is pleased to announce that it will seek shareholder approval to undertake a share consolidation and capital raising to recapitalise the Company and to facilitate its shares being reinstated to trading on ASX. The Company will also make several Board changes and seek approval to change its name to ‘GCX Metals Limited’.

The Company has also entered into an agreement to increase its gold-copper footprint in the Pilbara region of Western Australia by acquiring an 80% interest in granted exploration license E08/3197 located adjacent to the Company’s Onslow Gold Project (“**Acquisition**”).

ASX has confirmed that the Company’s shares will be reinstated to trading on the ASX, subject to satisfying a number of conditions, including shareholder approval and raising additional funds to pursue the exploration of the Onslow Gold Project.

Highlights

- The Company will seek shareholder approval for a 20 for 1 consolidation of its shares (“**Share Consolidation**”).
- The Company will undertake a capital raising by way of a share placement and 1 for 1 pro-rata entitlements issue at an issue price of \$0.05 per share to raise up to \$5.58 million before costs on a post Share Consolidation basis (“**Capital Raising**”).
- Deed of Release signed with the group’s secured lenders (“**Tribeca Parties**”), whereby the Tribeca Parties will release Paringa from all obligations and liabilities as parent company guarantor to the group’s US\$40 million secured loan facility (“**Deed of Release**”).
- Mr Ben Cleary and Mr Haydn Smith from Tribeca will be appointed as Non-Executive Directors of the Company, pursuant to the Deed of Release.
- The Company will seek shareholder approval to change its name to GCX Metals Limited.
- Strategic acquisition of granted exploration license in the Pilbara region of Western Australia will increase the Company’s Onslow Gold Project (E08/3311 and E08/3197) to approximately 303 km².
- The Onslow Gold Project is located nearby to historic exploration that identified the potential for Proterozoic banded iron formation (“**BIF**”) hosted Au and Iron Oxide Cu-Au mineralisation.
- A review of historic airborne electromagnetic (“**AEM**”) survey data has developed several anomalies that have never been drill tested and are considered worthy of further exploration.
- The Company has recently completed flying a new AEM survey over the Onslow Gold Project using modern high-powered system using 200-meter line spacing.
- Mr Ryan de Franck, Executive Director of the Valperlon Group and vendor of exploration license E08/3197, will also be appointed as Non-Executive Director of the Company following completion of the Acquisition.

Share Consolidation

Subject to shareholder approval, the Company intends to undertake a 20 for 1 consolidation of its shares ("**Share Consolidation**"), thereby reducing the number of shares on issue to 31.6 million shares.

The rationale for the Share Consolidation is that it will create a more appropriate and effective capital structure for the Company and a share price more appealing to a broader range of investors.

The number of options on issue will also be consolidated on a 20 for 1 basis, with the exercise price of the options increasing in accordance with the consolidation ratio.

The Company expects to issue a notice of general meeting shortly.

Capital Raising

Following completion of the Share Consolidation, the Company will undertake a Capital Raising by way of a share placement ("**Share Placement**") of up to 40.0 million shares (on a post Consolidation basis) followed by a non-renounceable pro-rata entitlements offer ("**Entitlements Offer**") of up to 71.6 million shares (on a post Consolidation basis), at an issue price of \$0.05 per share, together with 1 free attaching option for every 3 shares subscribed for, to raise up to \$5.58 million before costs.

Under the Entitlements Offer, shareholders will be entitled to acquire 1 new share for every 1 share held at the record date (to be determined) at an issue price of \$0.05 per share, together with 1 free attaching option for every 3 shares subscribed for. This is the maximum allowable under ASX Listing Rules, which state that the ratio must not be greater than one share for each share held. New shares issued under the Share Placement will be eligible to participate in the Entitlements Offer.

The free attaching options to be issued under the Entitlements Offer and Share Placement will be exercisable at \$0.07 each, expiring 5 years from date of issue.

Tribeca Deed of Release

The Company has entered into a deed of release ("**Deed of Release**") with the group's secured lenders (the "**Tribeca Parties**"), whereby the group's secured lenders will release Paringa from all obligations and liabilities as parent company guarantor to the group's US\$40.0 million term loan facility ("**Term Loan Facility**") and related finance documents.

Tribeca have entered into the Deed of Release in return for being issued 35.0 million shares and 20.0 million options (10.0 million exercisable at \$0.07 each and 10.0 million exercisable at \$0.09 each, expiring 5 years from date of issue) in the Company on a post Share Consolidation basis, subject to shareholder approval.

The Deed of Release remains conditional upon completion of the Share Consolidation and Capital Raising, the appointment of two directors nominated by the Tribeca Parties to the Board of Directors of Paringa, and issue of the Consideration Securities to the Tribeca Parties.

The rationale for the Deed of Release is that the Company is currently unable to raise any further funds, incur any further liabilities or continue to undertake any operations. The Deed of Release provides certainty for existing shareholders and new investors by removing the Company's obligations and liabilities as guarantor of the loan.

Change of Name

The Company will seek shareholder approval to change its name to 'GCX Metals Limited'.

Board Changes

Mr Ben Cleary and Mr Haydn Smith from Tribeca will be appointed as Non-Executive Directors of the Company, pursuant to the Deed of Release signed between the Company and Tribeca.

Mr Ben Cleary is a Portfolio Manager and Director of Tribeca Investment Partners and is based in Singapore. He has had an extensive career in the natural resources sector over the last 20 years and the Tribeca Global Natural Resources strategies that he manages have been involved in over \$10 billion of transactions within the natural resources sector. Mr Cleary holds a Bachelor of Economics from the University of Queensland, a Graduate Diploma in Applied Finance from FINSIA and is a member of the Australian Institute of the Company Directors.

Mr Haydn Smith is a Portfolio Manager at Tribeca Investment Partners and is based in Sydney. Previously Mr. Smith had a 20-year career at Macquarie Bank where he was an Executive Director, Global Head of the bank's Mining Finance Group and Executive Committee Member of the Commodities and Financial Markets Group. Mr. Smith holds a Bachelor of Commerce from the University of Sydney, a Graduate Diploma in Applied Finance from the FINSIA and is a member of the Australian Institute of the Company Directors.

Mr Ryan de Franck, Executive Director of the Valperlon Group and vendor of exploration license E08/3197, will also be appointed as Non-Executive Director of the Company following completion of the Acquisition.

Mr Ryan de Franck is currently Executive Director of the Valperlon Group, an Australian based project generation and corporate development group focused on the natural resources sector. Mr de Franck has a Bachelor of Commerce from the University of Western Australia, a Masters in Applied Finance from FINSIA and a Graduate Diploma in Mineral Exploration Geoscience from the Western Australian School of Mines.

Mr Todd Hannigan and Mr Gregory Swan will resign as Non-Executive Directors of the Company upon completion of the Acquisition, Share Consolidation, Capital Raising, and Deed of Release. Mr Gregory Swan will remain as Company Secretary of the Company.

Mr Ian Middlemas will continue as Non-Executive Chairman of the Company and Mr Mark Pearce will be appointed as an alternate director for Mr Middlemas. Mr Mark Pearce is a Chartered Accountant and is currently a director of several listed companies that operate in the resources sector. He has had considerable experience in the formation and development of listed resource companies and has worked for several large international Chartered Accounting firms. Mr Pearce is also a Fellow of the Governance Institute of Australia and a Fellow of the Financial Services Institute of Australasia.

Acquisition

The Company has entered into a Tenement Sale Agreement to acquire an 80% interest in granted exploration license E08/3197 from an unrelated private company, Onslow Metals Group Pty Ltd.

The consideration to be paid for the Acquisition will be:

- \$150,000 cash upon completion of the Acquisition;
- 7,500,000 shares in the capital of the Company on a post Share Consolidation basis upon completion of the Acquisition; and
- 7,500,000 deferred shares in the capital of the Company on a post Share Consolidation basis subject to and conditional upon delineation of a mineral resource in accordance with the JORC Code of at least 200,000 ounces of contained gold across E08/3197 at a resource grade no less than 1.5 grams per tonne gold, within 5 years from the date of completion of the Acquisition.

The Company will also free-carry the 20% interest in E08/3197 retained by Onslow Metals Group Pty Ltd until the completion of a definitive feasibility study.

The Tenement Sale Agreement grants the Company with immediate access to E08/3197 to commence its planned exploration activities.

The issue of shares and deferred shares to Onslow Metals Group Pty Ltd is subject to approval of Paringa shareholders.

Onslow Gold Project

In late 2020 the Company applied for exploration license E08/3311 in the Pilbara region of Western Australia covering approximately 115 km² and considered prospective for gold and copper (“**Onslow Gold Project**”). The license was granted in July 2021.

The Company has also identified an opportunity to expand the footprint of the Onslow Gold Project by acquiring 80% of the adjacent granted exploration license E08/3197 covering approximately 188 km² from an unrelated private company.

The Acquisition will increase the size of the Company’s Onslow Gold Project to approximately 303 km².

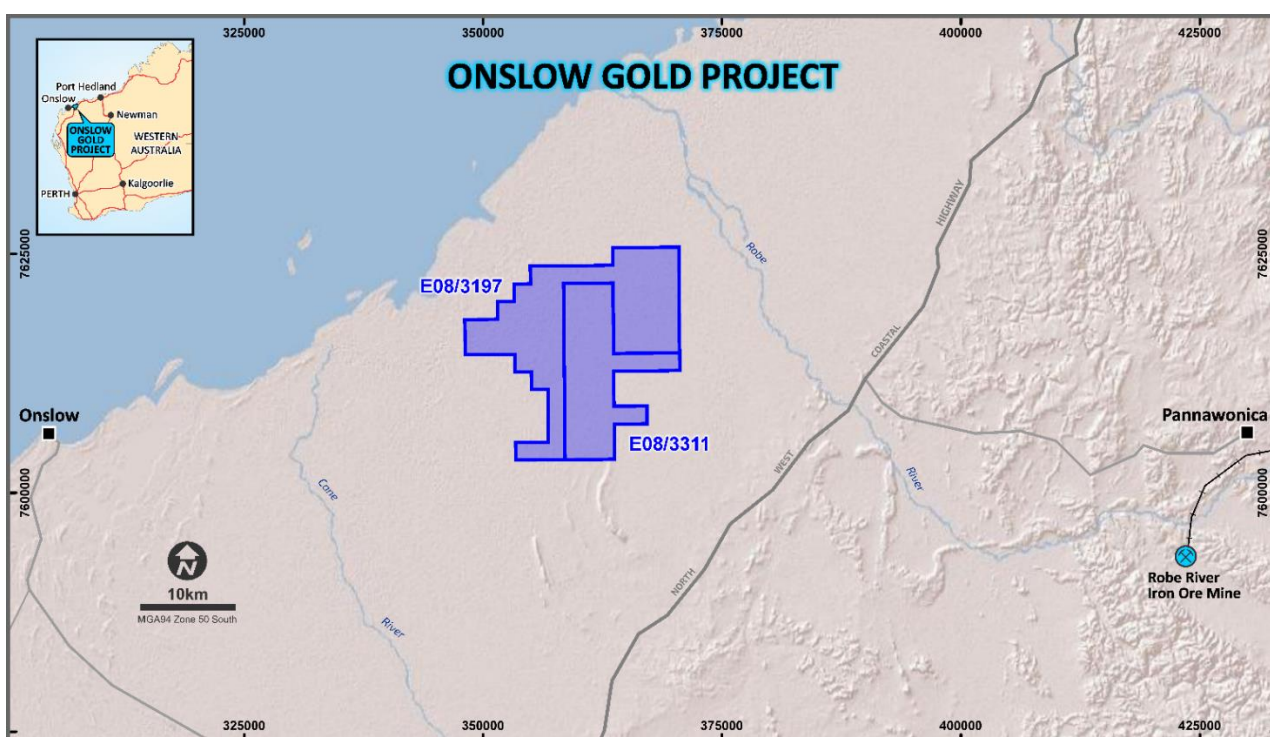


Figure 1: Location of Onslow Gold Project

The Onslow Gold Project is located in the northwestern extension of the Proterozoic Capricorn Orogen where nearby 1990’s historic exploration identified the potential for Proterozoic BIF hosted Au and Iron Oxide Cu-Au mineralisation.

A recent review by Southern Geoscience Consultants on work conducted by WMC (1990’s, Copper-Gold), Rio Tinto (2005-06, Iron Ore), and FMG (2012-15, Iron Ore) has confirmed that historic airborne magnetic and electromagnetic surveys have developed several anomalies that have never been drill tested and have been assessed to be worthy of further exploration.

The historical survey was flown using a coarse 600-meter line spacing and is considered to be ineffective compared to modern technology for the detection of deeper level bedrock conductors.

The Company has recently completed flying a new survey using a modern high powered AEM system using 200-meter line spacing which could highlight previously unknown deeper level bedrock conductors of interest as well as enhance and expand existing know anomalies.

Paringa will now focus its efforts on exploring the Onslow Gold Project.

Re-Instatement to Trading on ASX

ASX has confirmed that the Company's shares will be reinstated to trading on ASX, subject to the satisfaction of a number of conditions, including the following:

- shareholders approving all resolutions required to effect the proposed Capital Raising;
- completion of the proposed Share Consolidation;
- completion of the Capital Raising, including confirmation that the Company has reached minimum subscription under the Entitlements Offer and Share Placement;
- satisfaction of all conditions precedent for the Deed of Release, including the issue of 35.0 million shares and 20.0 million options to the Tribeca Parties (on a post-Consolidation basis);
- the Company releasing a full form prospectus in relation to the proposed Capital Raising;
- the Company demonstrating compliance with Listing Rules 12.1 and 12.2 to the satisfaction of the ASX, including completion of a Phase 1 AEM survey on the Onslow Gold Project and announcing the commencement of a Phase 2 drilling program on the Onslow Gold Project;
- satisfying the 'working capital test' of at least \$1.5 million pursuant to Listing Rule 1.3.3(c); and
- lodgement of any outstanding documents required by Listing Rule 17.5 for the period since the Company's Shares were suspended from trading.

Capital Structure

The pro forma capital structure of the Company assuming completion of the Share Consolidation, Capital Raising, and Deed of Release is set out below:

Capital Structure	Shares	Unlisted Options	Milestone Shares
Existing securities	632,782,393	34,444,444	-
Share Consolidation	(601,143,273)	(32,722,222)	-
Share Placement (assuming \$2,000,000 raised)	40,000,000	13,333,333	-
Entitlements Offer (assuming \$3,581,956 raised)	71,639,120	23,879,707	-
Tribeca Deed of Release	35,000,000	20,000,000	-
Tenement Acquisition	7,500,000	-	7,500,000
Consultant Options	-	1,000,000	-
Total (after completion of Share Consolidation, Share Placement, Entitlements Offer, Deed of Release and Acquisition)	185,778,240	59,935,262	7,500,000

This announcement has been authorised for release by the Company's Board of Directors.

For further information, contact:

Greg Swan

Director and Company Secretary

gswan@apollogroup.com.au

Forward Looking Statements

This report may include forward-looking statements. These forward-looking statements are based on the Company'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 the Company, which could cause actual results to differ materially from such statements. The Company 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 Statement

The information in this report that relates to exploration results for the Onslow gold project is based on, and fairly represents, information compiled by Mr Peter Woodman, a Competent Person who is a member Australian Institute of Mining and Metallurgy. Mr Woodman is a consultant to Paringa Resources Limited. Mr Woodman 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'. Mr Woodman consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.