Paringa Resources Limited
(to be renamed 'GCX Metals Limited')

ABN 44 155 933 010

Interim Financial Report for the Half Year Ended 31 December 2020

CORPORATE DIRECTORY

DIRECTORS:
Mr Ian Middlemas – Non-Executive Chairman
Mr Todd Hannigan – Non-Executive Director
Mr Gregory Swan – Non-Executive Director

COMPANY SECRETARY:
Mr Gregory Swan – Company Secretary

REGISTERED OFFICE:
Level 9, 28 The Esplanade
Perth WA 6000

WEBSITE:
www.paringaresources.com

STOCK EXCHANGE LISTING:
Australian Securities Exchange (**ASX: PNL**)

SHARE REGISTRY:
Computershare Investor Services Pty Ltd
Level 11, 172 St Georges Terrace
Perth WA 6000
Tel: +61 8 9323 2000

LAWYERS:
Thomson Geer Lawyers

AUDITOR:
William Buck Audit (WA) Pty Ltd

CONTENTS

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 report, to reflect the circumstances or events after the date of this report.

DIRECTORS' REPORT

The Directors of Paringa Resources Limited present their report on Paringa Resources Limited (proposed to be renamed 'GCX Metals Limited') ("Company" or "Paringa") and the entities it controlled during the six months ended 31 December 2020 ("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 interim period are as follows:

Current Directors

Mr Ian Middlemas	Non-Executive Chairman
Mr Todd Hannigan	Non-Executive Director
Mr Gregory Swan	Non-Executive Director *(appointed 26 February 2021)*

Former Directors

Mr David Gay	Executive Director & President *(resigned 24 February 2021)*
Mr Jonathan Hjelte	Non-Executive Director *(resigned 26 February 2021)*
Mr Richard McCormick	Non-Executive Director *(resigned 26 February 2021)*
Mr Thomas Todd	Non-Executive Director *(resigned 25 February 2021)*

Unless otherwise shown, all Directors were in office from the beginning of the interim period until the date of this report.

OPERATING AND FINANCIAL REVIEW

Overview

Subsequent to the end of the period, the Company announced that it would 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 the Australian Securities Exchange ("ASX"), in addition to making several Board changes and seeking 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 ("Project") ("Acquisition").

The Australian Securities Exchange ("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.

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.

OPERATING AND FINANCIAL REVIEW (Continued)

Deed of Release (continued)

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$40,000,000 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.

Tenement Acquisition

The Company has entered into a Tenement Sale Agreement on 29 June 2021 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.

OPERATING AND FINANCIAL REVIEW (Continued)

Tenement Acquisition (continued)

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 km^2 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 km^2 from an unrelated private company.

The Acquisition will increase the size of the Company's Onslow Gold Project to approximately 303 km^2.

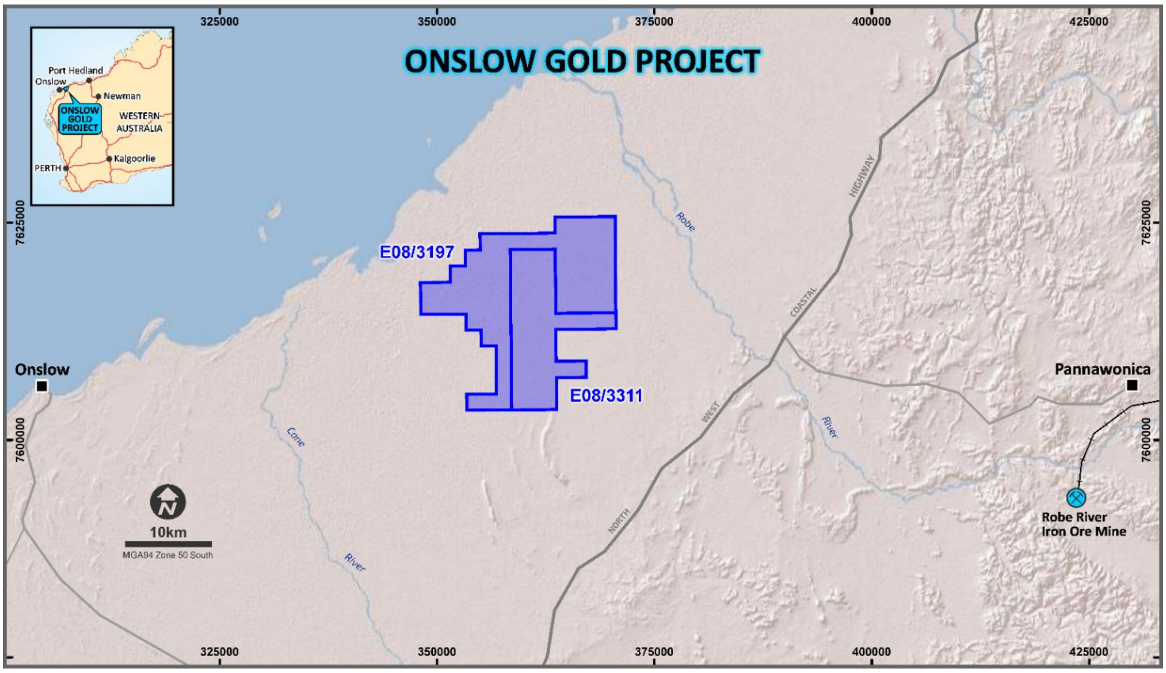

Figure 1: Location of Onslow Gold Project

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.

OPERATING AND FINANCIAL REVIEW (Continued)

Re-Instatement to Trading on ASX

The Company's shares have been suspended from trading on the ASX since 23 December 2019. However, 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	-
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, Tenement Acquisition, and Consultant Options)	**185,778,240**	**59,935,262**	**7,500,000**

Sale of United States coal projects

In February 2020, the Company's wholly owned subsidiary, Hartshorne Holdings, LLC ("Hartshorne"), and its U.S. affiliates, filed voluntary Chapter 11 petitions in the United States Bankruptcy Court for the Western District of Kentucky ("Bankruptcy Court") to facilitate a sale of its operating Poplar Grove coal mine, undeveloped Cypress coal project and other business assets.

Hartshorne obtained debtor-in-possession financing comprising post-petition secured financing of US$7.625 million from certain of its current senior secured lenders with Tribeca serving as agent.

In connection with this debtor-in-possession financing agreement, Hartshorne commenced a marketing process for the sale of its assets pursuant to section 363 of the Bankruptcy Code. In March 2020, the Bankruptcy Court approved the order authorising Hartshorne to proceed with the bidding procedures relating to the sale of all or a portion of Hartshorne's assets.

Despite the Group's best efforts, the marketing and auction process for Hartshorne's assets was not successful. In June 2020, Hartshorne filed a notice that it did not designate a stalking horse bidder, did not receive any qualified bids for their assets by the bid deadline and, in accordance with Hartshorne's rights under the Bankruptcy Court-approved bidding procedures, Hartshorne cancelled the auction.

OPERATING AND FINANCIAL REVIEW (Continued)

Sale of United States coal projects (continued)

In September 2020, Hartshorne filed a proposed plan of liquidation, disclosure statement, and proposed plan solicitation procedures motion for the expedited wind down of their estates. The proposed plan of liquidation set forth the manner in which Hartshorne will complete its wind down through a liquidation trust. In October 2020, the Bankruptcy Court approved the solicitation procedures and conditionally approved the disclosure statement.

In February 2021, the Bankruptcy Court confirmed the plan of liquidation and, on 23 February 2021, the plan became effective and Hartshorne commenced the final stages of winding up the estates.

On the effective date, Hartshorne executed a liquidation trust agreement and transferred its remaining assets and liabilities to a liquidation trust, as well as assigning remaining critical contracts and insurance policies. Hartshorne funded the carve-out escrow with the majority of Hartshorne's cash-on-hand and transferred any remaining cash to the liquidation trust. The Hartshorne entities were dissolved on the effective date. The remaining assets will be liquidated by the trustee over time.

COVID-19

The outbreak of the 2019 novel strain of coronavirus causing a contagious respiratory disease known as COVID-19, and the subsequent quarantine measures imposed by the Australian and other governments, and related travel and trade restrictions has caused disruption to businesses and resulted in significant global economic impacts.

Results of Operations

The net loss of the Group for the half year ended 31 December 2020 was US$8,188,660 (31 December 2019: US$110,137,311). The major item contributing to this result was the loss from discontinued operations of US$8,128,558 (31 December 2019: US$112,772,770) recognised in respect of the Poplar Grove mine.

Financial Position

At 31 December 2020, the Group had cash reserves of US$53,474 (30 June 2020: US$79,976) and net liabilities of US$68,994,577 (30 June 2020: US$60,805,917).

In February 2020, the Company's wholly owned subsidiary, Hartshorne Holdings, LLC ("Hartshorne"), and its U.S. affiliates, filed voluntary Chapter 11 petitions in the United States Bankruptcy Court. In September 2020, Hartshorne filed a proposed plan of liquidation, disclosure statement, and proposed plan solicitation procedures motion for the expedited wind down of their estates. The proposed plan of liquidation set forth the manner in which Hartshorne will complete its wind down through a liquidation trust. In October 2020, the Bankruptcy Court approved the solicitation procedures and conditionally approved the disclosure statement. In February 2021, the Bankruptcy Court confirmed the plan of liquidation and, on 23 February 2021, the plan became effective and Hartshorne commenced the final stages of winding up the estates.

On 23 February 2021, Hartshorne executed a liquidation trust agreement and transferred its remaining assets and liabilities to a liquidation trust, as well as assigning remaining critical contracts and insurance policies. Hartshorne funded the carve-out escrow with the majority of Hartshorne's cash-on-hand and transferred any remaining cash to the liquidation trust. The Hartshorne entities were dissolved on the effective date.

At the time the Hartshorne entities were dissolved, Hartshorne had a US$40,000,000 term loan facility payable Tribeca (as agent) ("Term Loan Facility") and a US$9,000,000 royalty payable to SP2 Royalty Co, LLC ("SP2") (an entity of which certain funds advised by Tribeca are members) ("Royalty"). The parent entity, Paringa Resources Limited, guaranteed to Tribeca (as agent) the performance of its subsidiary, Hartshorne, in relation to the US$40,000,000 Term Loan Facility and related finance documents. The effect of the guarantee is that Paringa Resources Limited has guaranteed to pay any outstanding amounts if Hartshorne does not meet their obligations under the terms of Term Loan Facility. At 31 December 2020, the Company had a financial guarantee liability of A$75,157,876 payable to Tribeca (as agent) related to its parent company guarantee.

Subsequent to the end of the financial period, in September 2021, the Company announced that it would 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 the Australian Securities Exchange ("ASX"). 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. 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.

DIRECTORS' REPORT
(Continued)

OPERATING AND FINANCIAL REVIEW (Continued)

Financial Position (Continued)

To facilitate the capital raising, 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$40,000,000 term loan facility ("TLF") 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 Company's securities currently remain suspended from trading on the ASX, however 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.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

(i) On 29 January 2021, the Company announced that it had applied for an exploration licence in the Pilbara region of Western Australia considered prospective for gold and copper. The exploration licence (application pending) covers approximately 115 km^2 and is located in the north-western extension of the Proterozoic Capricorn Orogen where nearby 1990's historic exploration identified the potential for Proterozoic banded iron formation ("BIF") hosted gold and iron oxide copper-gold mineralisation;

(ii) On 17 February 2021, the Bankruptcy Court confirmed Hartshorne's plan of liquidation and, on 23 February 2021, the plan of liquidation became effective. On 23 February 2021, Hartshorne executed a liquidation trust agreement and transferred its remaining assets and liabilities to a liquidation trust to be liquidated by the trustee over time, as well as assigning remaining critical contracts and insurance policies. The Hartshorne entities were dissolved on 23 February 2021;

(iii) On 26 February 2021, the Company announced that Mr Gregory Swan had been appointed as a Director of the Company following the resignations of Messrs David Gay, Jonathan Hjelte, Richard McCormick and Thomas Todd. Messrs Ian Middlemas and Todd Hannigan remain as Directors of the Company;

(iv) On 8 April 2021, the Company announced that William Buck Audit (WA) Pty Ltd had been appointed as auditor of the Company, following the resignation of Deloitte Touche Tohmatsu ("Deloitte") and ASIC's consent to the resignation in accordance with s329(5) of the Corporations Act 2001;

(v) On 9 September 2021, the Company accepted an offer from Arredo Pty Ltd, a company associated with Mr Ian Middlemas, to provide a $400,000 loan facility to the Company to provide working capital to facilitate the Company's shares being reinstated to trading on the ASX. The loan is unsecured, interest-free, and repayable at call; and

(vi) On 30 September 2021, the Company announced that it would 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 the Australian Securities Exchange ("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"). The 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.

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

AUDITOR'S INDEPENDENCE DECLARATION

Section 307C of the Corporations Act 2001 requires our auditors, William Buck Audit (WA) Pty Ltd, to provide the directors of Paringa Resources Limited with an Independence Declaration in relation to the review of the interim financial report. This Independence Declaration is on page 7 and forms part of this Directors' Report.

Signed in accordance with a resolution of the Directors.

GREG SWAN
Director

25 February 2022

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 six month period ended 31 December 2020 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

GREG SWAN
Director

25 February 2022

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 31 DECEMBER 2020

	Note	Six Months Ended 31 December 2020 US$	Six Months Ended 31 December 2019 US$
Continuing operations			
Corporate and administration expenses		**(63,849)**	(570,278)
Employment expenses		**-**	(137,199)
Finance income/(expenses)		**(68)**	2,168
Share-based payment benefit/(expense)		**-**	3,645,651
Other income/(expenses)		**3,816**	(304,883)
Profit/(loss) before tax from continuing operations		**(60,101)**	2,635,459
Income tax expense		**-**	-
Profit/(loss) for the period from continuing operations		**(60,101)**	2,635,459
Discontinued operations			
Loss after tax from discontinued operations	6	**(8,128,558)**	(112,772,770)
Net loss for the period		**(8,188,660)**	(112,772,770)
Net loss attributable to members of the parent		**(8,188,660)**	(110,137,311)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss		**-**	-
Total other comprehensive income for the period, net of tax		**-**	-
Total comprehensive loss for the period, net of tax		**(8,188,660)**	(110,137,311)
Total comprehensive loss attributable to members of the parent		**(8,188,660)**	(110,137,311)
Basic and diluted profit/(loss) per share from continuing operations (US$ per share)		**-**	0.01
Basic and diluted profit/(loss) per share from discontinued operations (US$ per share)		**(0.01)**	(0.22)

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 2020

	Note	As at 31 December 2020 US$	As at 30 June 2020 US$
ASSETS			
Current Assets			
Cash and cash equivalents	4	**53,474**	79,976
Trade and other receivables		**6,992**	5,715
Assets held for sale	6	**6,097,399**	38,908,955
Total Current Assets		**6,157,865**	38,994,646
Non-Current Assets			
Exploration and evaluation assets	5	**4,945**	-
Total Non-Current Assets		**4,945**	-
TOTAL ASSETS		**6,162,810**	38,994,646
LIABILITIES			
Current Liabilities			
Trade and other payables		**214,937**	175,115
Liabilities directly associated with assets held for sale	6	**74,942,450**	99,625,448
Total Current Liabilities		**75,157,387**	99,800,563
TOTAL LIABILITIES		**75,157,387**	99,800,563
NET LIABILITIES		**(68,994,577)**	(60,805,917)
EQUITY			
Contributed equity	7	**109,520,369**	109,520,369
Reserves	8	**946,117**	946,117
Accumulated losses		**(179,461,063)**	(171,272,403)
TOTAL EQUITY		**(68,994,577)**	(60,805,917)

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 SIX MONTHS ENDED 31 DECEMBER 2020

	Note	Contributed Equity US$	Share-based Payments Reserve US$	Foreign Currency Translation Reserve US$	Accumulated Losses US$	Total Equity US$
Balance at 1 July 2020		**109,520,369**	**3,298,755**	**(2,352,638)**	**(171,272,403)**	**(60,805,917)**
Net loss for the period		**-**	**-**	**-**	**(8,188,660)**	**(8,188,660)**
Other comprehensive income for the period		**-**	**-**	**-**	**-**	**-**
Total comprehensive loss for the period		**-**	**-**	**-**	**(8,188,660)**	**(8,188,660)**
Transactions with owners recorded directly in equity:						
Issue of shares		**-**	**-**	**-**	**-**	**-**
Balance at 31 December 2020		**109,520,369**	**3,298,755**	**(2,352,638)**	**(179,461,063)**	**(68,994,577)**
Balance at 1 July 2019		104,050,494	6,684,179	(2,352,638)	(41,076,652)	67,305,383
Effect of adoption of AASB 16	1(c)	-	-	-	(14,283)	(14,283)
Balance at 1 July 2019 (restated)		104,050,494	6,684,179	(2,352,638)	(41,090,935)	67,291,100
Net loss for the period		-	-	-	(110,137,311)	(110,137,311)
Other comprehensive income for the period		-	-	-	-	-
Total comprehensive loss for the period		-	-	-	(110,137,311)	(110,137,311)
Transactions with owners recorded directly in equity:						
Issue of shares		5,815,266	-	-	-	5,815,266
Share issue costs		(334,496)	-	-	-	(334,496)
Grant of lender options		-	291,640	-	-	291,640
Share based payment benefit		-	(3,645,651)	-	-	(3,645,651)
Balance at 31 December 2019		109,531,264	3,330,168	(2,352,638)	(151,228,246)	(40,719,452)

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 SIX MONTHS ENDED 31 DECEMBER 2020

	Note	Six Months Ended 31 December 2020 US$	Six Months Ended 31 December 2019 US$
Cash flows from operating activities			
Payments to suppliers and employees		**(6,413,427)**	(4,603,822)
Interest received		**3,767**	42,365
Interest paid		**-**	(766,758)
Other income received		**190,000**	2,553
Net cash outflow from operating activities		**(6,219,660)**	(5,325,662)
Cash flows from investing activities			
Proceeds from sale of assets held for sale		**3,900,896**	-
Payments for exploration and evaluation assets		**(4,945)**	-
Payments for property, plant and equipment		**-**	(11,902,247)
Payments for advanced royalties		**-**	(165,611)
Payments for security deposits and bonds		**-**	(191,753)
Proceeds from insurance recoveries		**-**	774,143
Net cash outflow from investing activities		**3,895,951**	(11,485,468)
Cash flows from financing activities			
Proceeds from borrowings		**3,375**	5,329,491
Repayment of borrowings		**-**	(2,077,992)
Proceeds from royalty financing		**-**	9,000,000
Payment of principal portion of lease liabilities		**-**	(29,628)
Proceeds from issue of ordinary shares		**-**	5,815,228
Payments for share issue costs		**-**	(322,385)
Payments for borrowing costs		**-**	(6,047,446)
Net cash inflow from financing activities		**3,375**	11,667,268
Net decrease in cash and cash equivalents		**(2,320,334)**	(5,143,862)
Net foreign exchange differences		**3,748**	(13,243)
Cash and cash equivalents at beginning of the period		**3,656,896**	12,038,494
Cash and cash equivalents at the end of the period	4	**1,340,310**	6,881,389

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The interim consolidated financial statements of Paringa Resources Limited and its consolidated entities for the six-months ended 31 December 2020 were authorised for issue in accordance with the resolution of the directors on 25 February 2022.

Paringa Resources Limited is a for profit company limited by shares, incorporated and domiciled in Australia, whose shares are listed on the ASX. The Group's principal activities are the exploration and development of mineral resource projects.

(a) Basis of Preparation

This general-purpose financial report for the interim six-month reporting period ended 31 December 2020 has been prepared in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001,* in compliance with IAS 34.

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 the Company for the year ended 30 June 2020 and any public announcements made by the Company and its controlled entities during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies and methods of computation adopted in the preparation of the interim financial report are consistent with those adopted and disclosed in the Company's annual financial report for the financial year ended 30 June 2020, except as disclosed below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

The financial report has been prepared on a historical cost basis and is presented in United States dollars (US$).

Going concern

The consolidated financial statements have been prepared on the going concern basis, which assumes the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business.

For the half year ended 31 December 2020, the Group has incurred a net loss of US$8,188,660 (31 December 2019: US$110,137,311) and experienced net cash outflows from operating activities of US$6,219,660 (31 December 2019: US$5,325,662).

At 31 December 2020, the Group had cash reserves of US$53,474 (30 June 2020: US$79,976) and net liabilities of US$68,994,577 (30 June 2020: US$60,805,917).

In February 2020, the Company's wholly owned subsidiary, Hartshorne Holdings, LLC ("Hartshorne"), and its U.S. affiliates, filed voluntary Chapter 11 petitions in the United States Bankruptcy Court. In September 2020, Hartshorne filed a proposed plan of liquidation, disclosure statement, and proposed plan solicitation procedures motion for the expedited wind down of their estates. The proposed plan of liquidation set forth the manner in which Hartshorne will complete its wind down through a liquidation trust. In October 2020, the Bankruptcy Court approved the solicitation procedures and conditionally approved the disclosure statement. In February 2021, the Bankruptcy Court confirmed the plan of liquidation and, on 23 February 2021, the plan became effective and Hartshorne commenced the final stages of winding up the estates.

On 23 February 2021, Hartshorne executed a liquidation trust agreement and transferred its remaining assets and liabilities to a liquidation trust, as well as assigning remaining critical contracts and insurance policies. Hartshorne funded the carve-out escrow with the majority of Hartshorne's cash-on-hand and transferred any remaining cash to the liquidation trust. The Hartshorne entities were dissolved on the effective date.

At the time the Hartshorne entities were dissolved, Hartshorne had a US$40,000,000 term loan facility payable Tribeca (as agent) ("Term Loan Facility") and a US$9,000,000 royalty payable to SP2 Royalty Co, LLC ("SP2") (an entity of which certain funds advised by Tribeca are members) ("Royalty"). The parent entity, Paringa Resources Limited, guaranteed to Tribeca (as agent) the performance of its subsidiary, Hartshorne, in relation to the US$40,000,000 Term Loan Facility and related finance documents. The effect of the guarantee is that Paringa Resources Limited has guaranteed to pay any outstanding amounts if Hartshorne does not meet their obligations under the terms of Term Loan Facility. At 31 December 2020, the Company had a financial liability of A$75,167,876 payable to Tribeca (as agent) related to its parent company guarantee.

The Company requires additional funding to continue as a going concern. In this regard, subsequent to the end of the financial period, in September 2021, the Company announced that it would seek shareholder approval to undertake a share consolidation and capital raising to raise up to $5.58 million before costs. The capital raising will comprise a share placement ("Share Placement") of up to 40.0 million shares (on a post Consolidation basis) followed by a pro-rata entitlements offer ("Entitlements Offer") of up to 71.6 million shares (on a post Consolidation basis), at an issue price of A$0.05 per share, together with 1 free attaching option for every 3 shares subscribed for, to raise up to A$5.58 million before costs.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) Basis of Preparation (continued)

Going concern (continued)

To facilitate the capital raising, 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$40,000,000 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 A$0.07 each and 10.0 million exercisable at A$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 Directors are confident that they will be able to complete the Share Consolidation and Capital Raising and satisfy all conditions precedent to the Deed of Release, and accordingly, consider that it is appropriate to prepare the financial statements on the going concern basis. Should the Company be unable to complete the Share Consolidation and Capital Raising and satisfy all conditions precedent to the Deed of Release, a material uncertainty may exist that could cast substantial doubt on the ability of the Group to continue as a going concern and therefore, whether it will be able to realise its assets and extinguish its liabilities in the normal course of business.

The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the Group not continue as a going concern.

(b) Statement of Compliance

In the current period, the Group has adopted all of the new and revised standards, interpretations and amendments that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2020. New and revised standards and amendments thereof and interpretations effective for the current reporting period that are relevant to the Group include:

- AASB 2018-6 *Amendments to Australian Accounting Standards – Definition of a Business*;
- AASB 2018-7 *Amendments to Australian Accounting Standards – Definition of Material*; and
- AASB 2019-1 *Amendments to Australian Accounting Standards – References to the Conceptual Framework*.

The adoption of the aforementioned standards has no impact on the financial statements of the Company as at 31 December 2020. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

(c) Changes in Accounting Policies

The accounting policies adopted in the preparation of the half-year financial report are consistent with those applied in the preparation of the Group's annual financial report for the year ended 30 June 2020, except for new standards, amendments to standards and interpretations effective 1 July 2020 as set out in Note 1(b).

(d) Issued standards and interpretations not early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Group for the reporting period ended 31 December 2020. Those which may be relevant to the Group are set out in the table below, but these are not expected to have any significant impact on the Group's financial statements:

Standard/Interpretation	Application Date of Standard	Application Date for Company
AASB 2020-3 Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments	January 1, 2022	July 1, 2022
AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current	January 1, 2023	July 1, 2023
AASB 2020-6 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current – Deferral of Effective Date	January 1, 2023	July 1, 2023

NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 31 DECEMBER 2020
(Continued)

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Accounting Estimates, Judgements and Assumptions

The preparation of the financial report requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the following notes:

- Recoverable amount of carrying value of property, plant and equipment;
- Share-based payments;
- Provision for mine rehabilitation;
- Commencement of commercial production;
- Depreciation and amortization of property, plant and equipment; and
- Classification of liabilities as current or non-current.

2. SEGMENT INFORMATION

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.

During the reporting period, the Consolidated Entity operated in one segment, being mineral exploration and development of mineral resource projects. 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.

3. OTHER INCOME AND EXPENSES

	Six Months ended 31 December 2020 US$	Six Months ended 31 December 2019 US$
Other income/(expenses)		
Net foreign exchange gain/(loss)	**3,866**	(13,243)
Write-off of capitalised borrowing costs	**-**	(291,640)
Total other income and expenses included in profit or loss	**3,866**	(304,883)

4. CASH AND CASH EQUIVALENTS

	As at 31 December 2020 US$	As at 30 June 2020 US$
Cash at bank and on hand	**53,474**	79,976
	53,474	79,976

For the purposes of the statement of cash flows, cash and cash equivalents comprise the following:

	As at 31 December 2020 US$	As at 30 June 2020 US$
Cash at bank and on hand	**53,474**	79,976
Cash at bank and on hand attributable to discontinued operations	**1,286,836**	3,576,920
	1,340,310	3,656,896

5. EXPLORATION AND EVALUATION ASSETS

	As at 31 December 2020 US$	As at 30 June 2020 US$
Onslow Gold Project	**4,945**	-
	4,945	-

6. DISCONTINUED OPERATIONS

During the 2020 financial period, the Company's wholly owned subsidiary, Hartshorne, and its U.S. affiliates, filed voluntary Chapter 11 petitions in the United States Bankruptcy Court, from which time Hartshorne has been classified as a discontinued operation and held-for-sale.

Subsequent to the end of the period, Hartshorne filed a proposed plan of liquidation, disclosure statement, and proposed plan solicitation procedures motion for the expedited wind down of their estates. In February 2021, the Bankruptcy Court confirmed the plan of liquidation, and, on 23 February 2021, the plan became effective. On the effective date, Hartshorne executed a liquidation trust agreement and transferred its remaining assets and liabilities to a liquidation trust. The Hartshorne entities were dissolved on the effective date.

(a) Results of discontinued operations

The results of Hartshorne for the period are presented below. The comparative consolidated statement of profit or loss and other comprehensive income has been re-presented to show the discontinued operation separately from continuing operations.

	Six Months ended 31 December 2020 US$	Six Months ended 31 December 2019 US$
Discontinued operations		
Cost of sales, net of coal sales	**(1,361,448)**	-
Corporate and administrative expenses	**(4,308,843)**	(1,126,159)
Employment expenses	**(683,958)**	(1,521,982)
Business development expenses	**(1,135)**	(132,770)
Finance income	**3,767**	40,197
Finance expenses	**(3,757,316)**	(774,156)
Gain on disposal of assets held for sale	**2,107,534**	-
Impairment of assets held for sale	**(317,159)**	-
Other income	**190,000**	2,553
Loss on disposal of property, plant and equipment	**-**	(155,072)
Insurance proceeds	**-**	774,143
Write-off of capitalised borrowing costs	**-**	(3,947,098)
Write-off of advance royalties	**-**	(3,041,546)
Write-down of inventories	**-**	(712,536)
Depreciation and amortisation charges	**-**	(3,907,325)
Impairment of property, plant and equipment	**-**	(98,271,019)
Profit/(loss) for the period from discontinued operations	**(8,128,558)**	(112,772,770)
Income tax expense	**-**	-
Profit/(loss) after tax from discontinued operations	**(8,128,558)**	(112,772,770)
Profit/(loss) after tax from discontinued operations attributable to members of the parent	**(8,128,558)**	(112,772,770)

6. DISCONTINUED OPERATIONS (Continued)

(b) Cash flows from discontinued operations

	Note	Six Months ended 31 December 2020 US$	Six Months ended 31 December 2019 US$
Net cash used in operating activities		**(6,194,355)**	(4,444,157)
Net cash from investing activities		**3,900,896**	(17,532,914)
Net cash from financing activities		**3,375**	16,826,785
Net cash outflow for the period from discontinued operations		**(2,290,084)**	(5,150,286)

(c) Assets and liabilities of the disposal group held for sale

	Note	As at 31 December 2020 US$	As at 30 June 2020 US$
Cash and cash equivalents		**1,286,836**	3,576,920
Trade and other receivables		**952,301**	1,355,182
Inventories		**-**	609,678
Other assets		**1,702,612**	3,413,233
Property, plant and equipment		**2,155,650**	29,953,942
Assets held for sale		**6,097,399**	38,908,955
Trade and other payables		**20,411,925**	19,631,838
Interest bearing loans and borrowings		**43,058,875**	68,521,960
Other financial liabilities		**9,000,000**	9,000,000
Provisions		**2,471,650**	2,471,650
Liabilities directly associated with assets held for sale		**74,942,450**	99,625,448

7. CONTRIBUTED EQUITY

	As at 31 December 2020 US$	As at 30 June 2020 US$
Issued capital		
632,782,393 fully paid ordinary shares (30 June 2020: 632,782,393)	**109,520,369**	109,520,369
	109,520,369	109,520,369

There were no movements in issued capital during the period.

8. RESERVES

	As at 31 December 2020 US$	As at 30 June 2020 US$
Share-based payments reserve	**3,298,755**	3,298,755
Foreign currency translation reserve	**(2,352,638)**	(2,352,638)
	946,117	946,117

There were no movements in reserves during the period.

9. DIVIDENDS PAID OR PROVIDED FOR

No dividend has been paid or provided for during the six months ended 31 December 2020 (31 December 2019: nil).

10. CONTINGENT ASSETS AND LIABILITIES

Contractor dispute

During the year ended 30 June 2018, the Group entered into a fixed price contract with Frontier-Kemper Constructors, Inc. ("Contractor") to construct the initial slope for the Poplar Grove mine and related matters. To-date the Group has paid the Contractor approximately US$9.9 million, but has disputed several invoices, primarily related to water excavation, concrete backfilling, and, pursuant to the terms of the contract, the quantum of liquidated damages to be paid by the Contractor to the Group as a result of construction delays. During the six months ended 31 December 2019, the Contractor filed a claim for arbitration pursuant to the terms of the contract and initially claimed that it is owed approximately US$2.6 million. Subsequent to 31 December 2019, the Contractor amended its claim to approximately US$4.7 million. At 31 December 2020, retainage of approximately US$1.1 million has been recognised as a liability in the Group's financial statements, being the amount specified in the contract that has been withheld from payments to the Contractor to ensure that the Contractor satisfies its obligations. The Group believes that it is not probable that the claim by the Contractor will be successful and accordingly, other than the retainage of US$1.1 million, no provision for any liability has been recognised in the financial statements.

Parent entity guarantee

The parent entity, Paringa Resources Limited, has guaranteed to an unrelated party, Tribeca (as agent), the performance of its subsidiary, Hartshorne, a US$40,000,000 term loan facility payable to Tribeca (as agent) ("Term Loan Facility") and a US$9,000,000 royalty payable to SP2 Royalty Co, LLC ("SP2") (an entity of which certain funds advised by Tribeca are members) ("Royalty"). The effect of the guarantee is that Paringa Resources Limited has guaranteed to pay any outstanding amounts if Hartshorne does not meet their obligations under the terms of Term Loan Facility and related finance documents. In February 2020, Hartshorne and its U.S. affiliates filed voluntary Chapter 11 petitions in the United States Bankruptcy Court and in February 2021 the Bankruptcy Court confirmed Hartshorne's plan of liquidation. On 23 February 2021, Hartshorne executed a liquidation trust agreement and transferred its remaining assets and liabilities to a liquidation trust. The Hartshorne entities were dissolved on the effective date. Subsequently, 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 Hartshorne's 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.

11. FINANCIAL INSTRUMENTS

(a) Fair value measurement

At 31 December 2020, the Group had no material financial assets and liabilities that are measured on a recurring basis, and therefore the carrying amount of financial assets and financial liabilities for the Group is considered to approximate their fair values.

12. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

(i) On 29 January 2021, the Company announced that it had applied for an exploration licence in the Pilbara region of Western Australia considered prospective for gold and copper. The exploration licence (application pending) covers approximately 115 km2 and is located in the north-western extension of the Proterozoic Capricorn Orogen where nearby 1990's historic exploration identified the potential for Proterozoic banded iron formation ("BIF") hosted gold and iron oxide copper-gold mineralisation;

(ii) On 17 February 2021, the Bankruptcy Court confirmed Hartshorne's plan of liquidation and, on 23 February 2021, the plan of liquidation became effective. On 23 February 2021, Hartshorne executed a liquidation trust agreement and transferred its remaining assets and liabilities to a liquidation trust to be liquidated by the trustee over time, as well as assigning remaining critical contracts and insurance policies. The Hartshorne entities were dissolved on 23 February 2021;

(iii) On 26 February 2021, the Company announced that Mr Gregory Swan had been appointed as a Director of the Company following the resignations of Messrs David Gay, Jonathan Hjelte, Richard McCormick and Thomas Todd. Messrs Ian Middlemas and Todd Hannigan remain as Directors of the Company;

(iv) On 8 April 2021, the Company announced that William Buck Audit (WA) Pty Ltd had been appointed as auditor of the Company, following the resignation of Deloitte Touche Tohmatsu ("Deloitte") and ASIC's consent to the resignation in accordance with s329(5) of the Corporations Act 2001;

(v) On 9 September 2021, the Company accepted an offer from Arredo Pty Ltd, a company associated with Mr Ian Middlemas, to provide a $400,000 loan facility to the Company to provide working capital to facilitate the Company's shares being reinstated to trading on the ASX. The loan is unsecured, interest-free, and repayable at call; and

(vi) On 30 September 2021, the Company announced that it would 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 the Australian Securities Exchange ("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"). The 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.

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

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF PARINGA RESOURCES LIMITED

I declare that, to the best of my knowledge and belief during the half-year ended 31 December 2020 there have been:

— no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and

— no contraventions of any applicable code of professional conduct in relation to the review.

William Buck

William Buck Audit (WA) Pty Ltd
ABN 67 125 012 124

CM

Conley Manifis
Director

Dated this 25th day of February 2022

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Paringa Resources Limited

Independent auditor's review report to members

Report on the Review of the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Paringa Resources Limited (the Company) and the entities it controlled at the half-year's end or from time to time during the half year (the consolidated group), which comprises the condensed consolidated statement of financial position as at 31 December 2020, the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

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 2020 and of its performance for the half year ended on that date; and
b) complying with Australian Accounting Standard 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE *2410 Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 (a) in the half-year financial report, which indicates that the consolidated entity incurred a net loss of US$8,188,660 and a net cash outflow from operating activities of US$6,219,660 for the period ended 31 December 2020. As stated in Note 1 (a), these events or conditions, along with other matters as set forth in Note 1 (a), indicate that a material uncertainty exists that may cast significant doubt on the consolidated entity's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Responsibility of Management for the Financial Report

The directors of Paringa Resources Limited 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

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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 Responsibilities for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether 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 the Company's financial position as at 31 December 2020 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*.

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.

William Buck

William Buck Audit (WA) Pty Ltd
ABN 67 125 012 124

CM

Conley Manifis
Director

Dated this 25th day of February 2022