



PARINGA RESOURCES LIMITED

ABN 44 155 933 010

Company Presentation: Updated BFS

November 2016

Paringa: Low Risk, Modular Expansion

Paringa's strategy is to make staged, low-capex, modular mine developments to ultimately become an Illinois Basin Producer of +5.7 million tons per annum ("Mtpa")

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*Initially start with the low capex
1.8 Mtpa Poplar Grove*

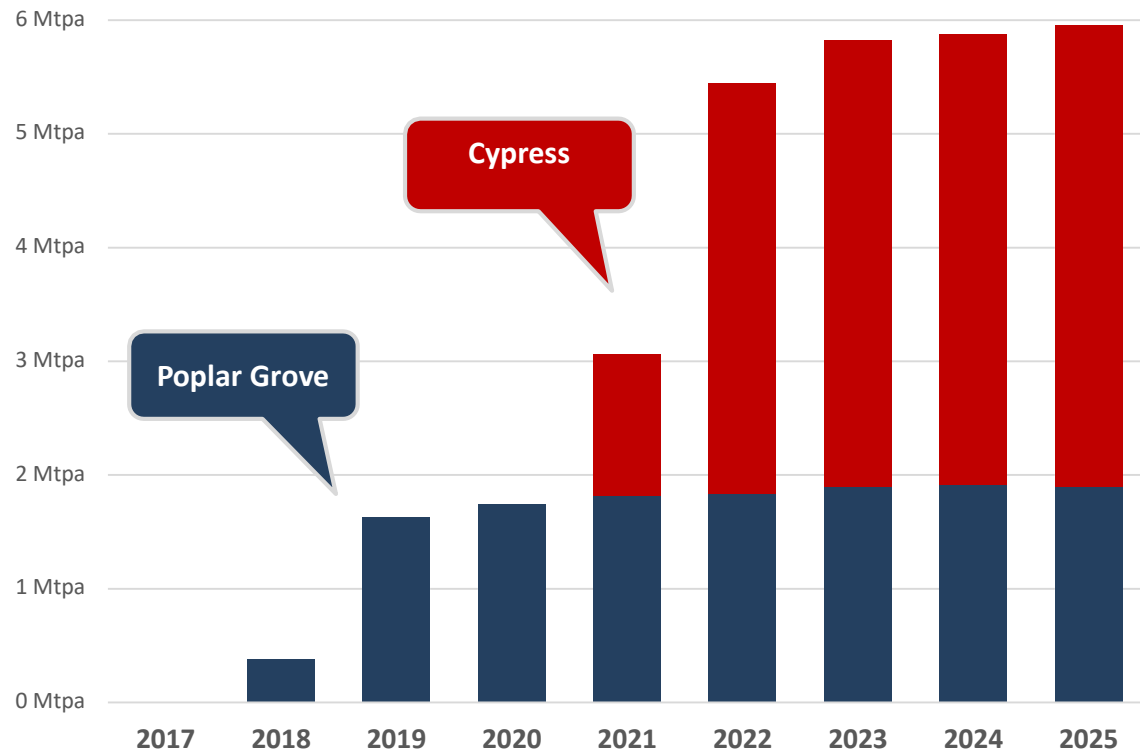
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*Expand capacity of Poplar Grove
following results of updated BFS due
Q1 2017*

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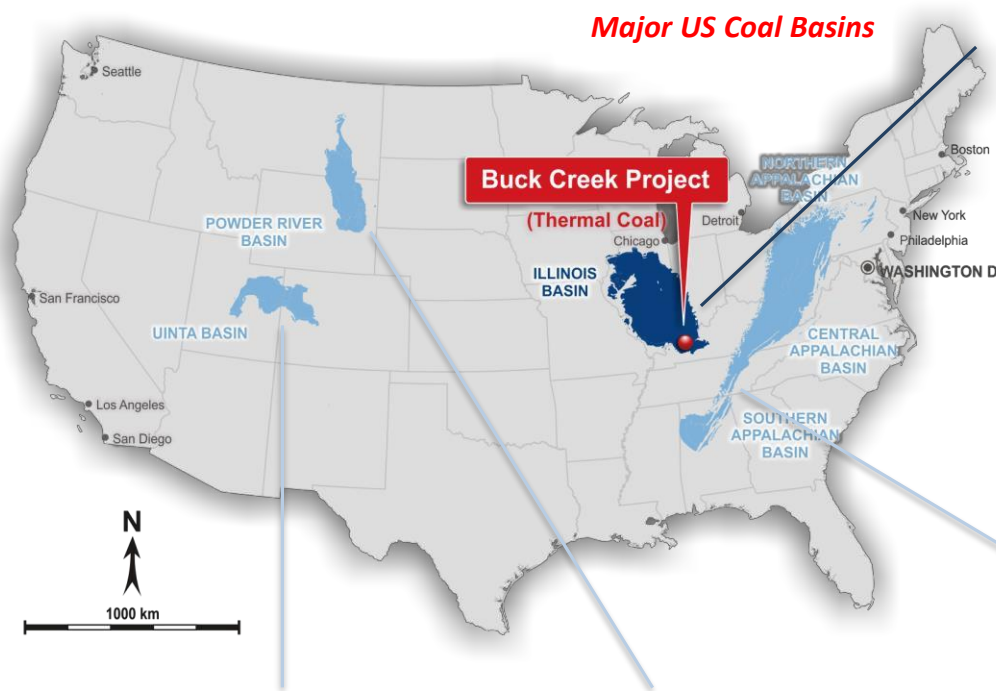
*Develop the fully permitted
3.8 Mtpa Cypress Mine*

Initial Production Capacity of Poplar Grove and Cypress Mines



Illinois Basin: Best Performing US Basin

The Illinois Coal Basin is the only basin that offers disciplined coal producers the ability to generate stable, positive cash flow throughout the cycle



Illinois Basin

- ✓ Highly productive geology (in-seam yield ~90%)
- ✓ High heating content (>11,000 Btu/lb)
- ✓ Low cost underground mining
- ✓ Low capital intensity for room-and-pillar mines
- ✓ Access to low cost barge transportation infrastructure
- ✓ Proximity to Eastern US power markets
- ✓ Favourable mine permitting regime
- ✓ Competitive with delivered price of natural gas

Uinta Basin

The Uinta basin is significantly constrained by transportation infrastructure costs

Mining	Underground
Mining Costs	Low
Product	Bituminous coal (>11,000Btu/lb)
Infrastructure	Low (Very high cost to eastern coal markets)

Powder River Basin (PRB)

The PRB is currently the largest producing region of the USA but is typically a low heating content thermal coal

Mining	Open Cut
Mining Costs	Very low
Product	Sub-bituminous coal (<8,800Btu/lb)
Infrastructure	Low (Very high cost to eastern coal markets)

Appalachian Basin (NAPP, CAPP & SAPP)

Split into the Northern, Central and Southern regions, all are undergoing significant declines due to reserve depletion

Mining	Open Cut & Underground
Mining Costs	Mid - High
Product	Bituminous coal (>12,000Btu/lb)
Infrastructure	Low – Mid (dependant on region)

Illinois Basin: 3 Distinct Mine Regions

Location, access to low cost barge transportation, coal quality and mining method largely explains variance in EBITDA¹ amongst the key Illinois Basin players

Illinois

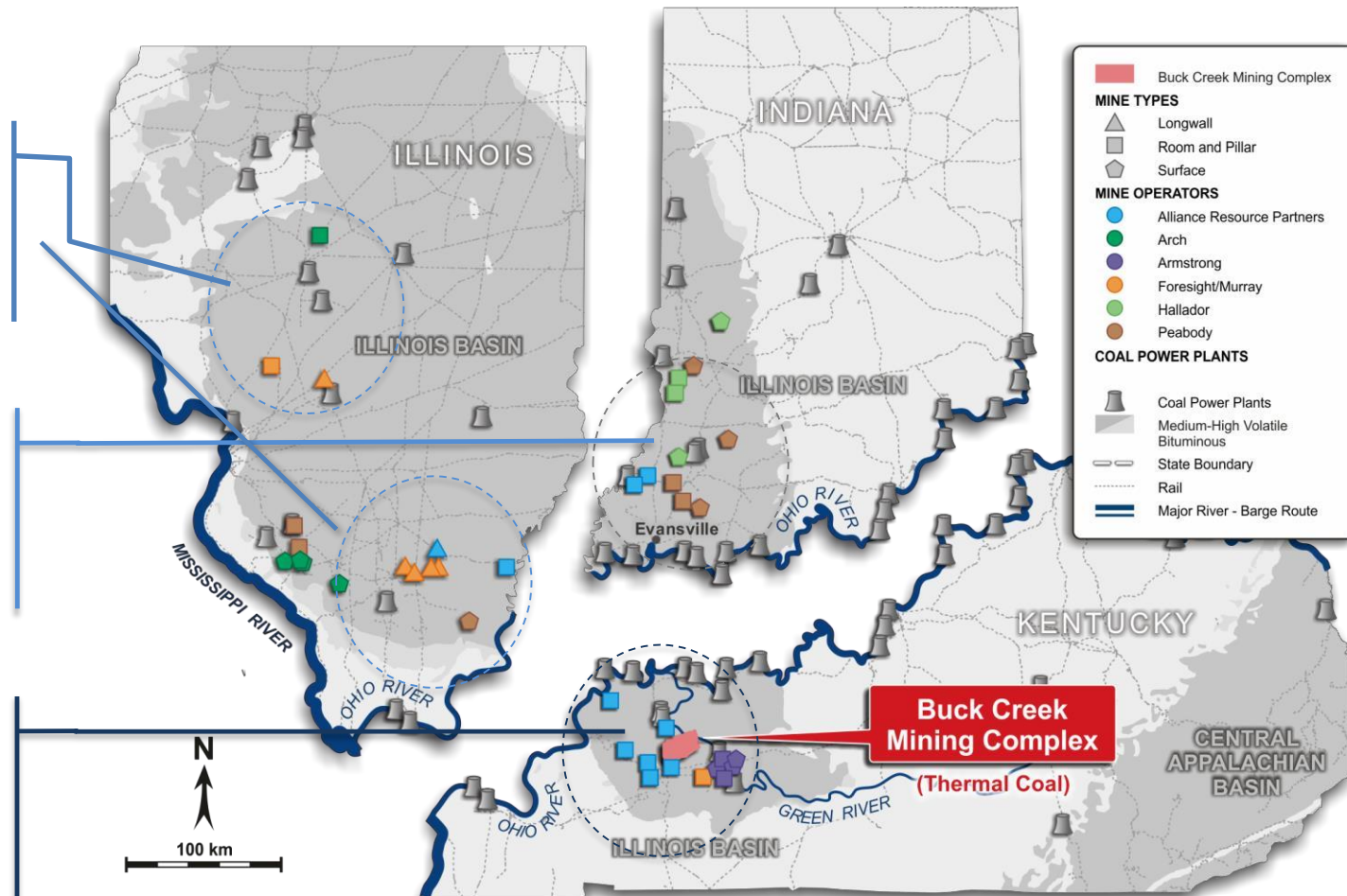
Mine Method: Longwall
Target Market: South East
Transport Method: Rail
Producers: Foresight/Murray, Alliance
Chlorine Content: High

Indiana

Mine Method: Surface, Room-and-Pillar
Target Market: Local
Transport Method: Truck
Producers: Peabody, Hallador
Chlorine Content: Low

Western Kentucky

Mine Method: Room-and-Pillar
Target Market: Ohio River / South East
Transport Method: Barge
Producers: Alliance, Armstrong
Chlorine Content: Low

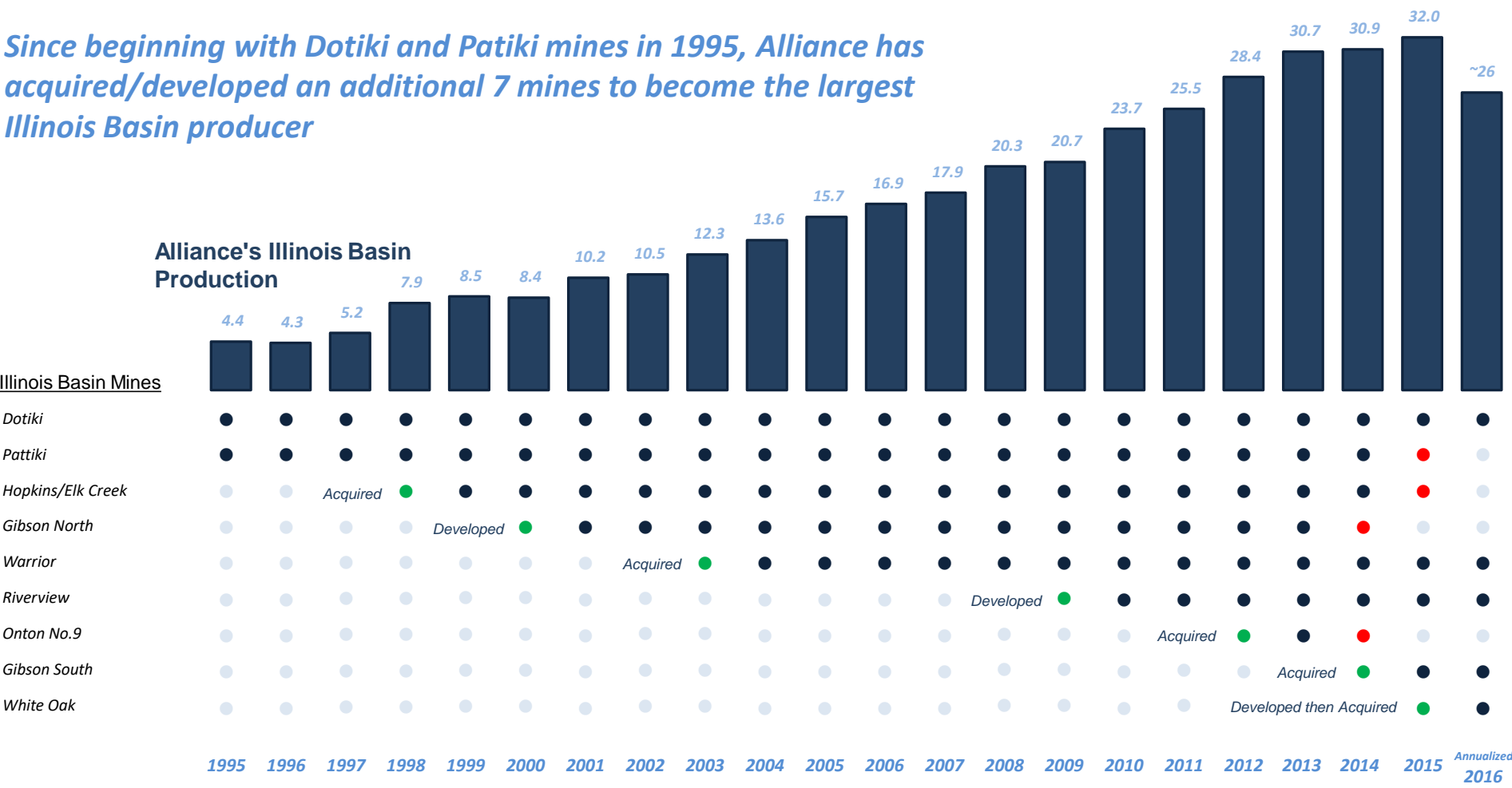


Alliance: Low Risk, Modular Expansion



Alliance Resource Partners L.P (NASDAQ: ARLP; AHGP) has built its business by making disciplined, modular mine developments and acquisitions of low cost Illinois Basin operations

Since beginning with Dotiki and Patiki mines in 1995, Alliance has acquired/developed an additional 7 mines to become the largest Illinois Basin producer

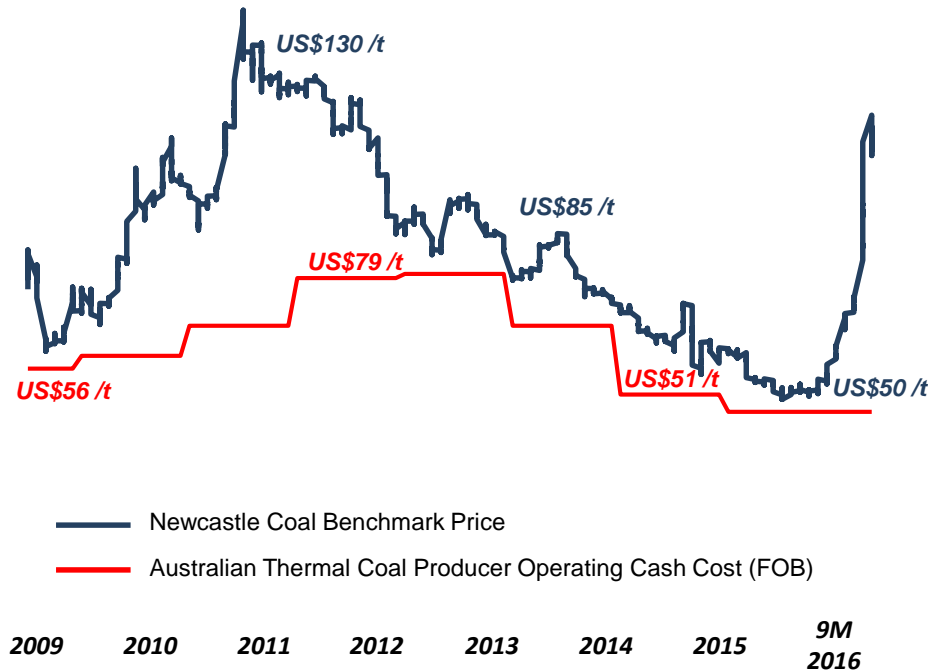


Source: Alliance 10K & 10Q Filings

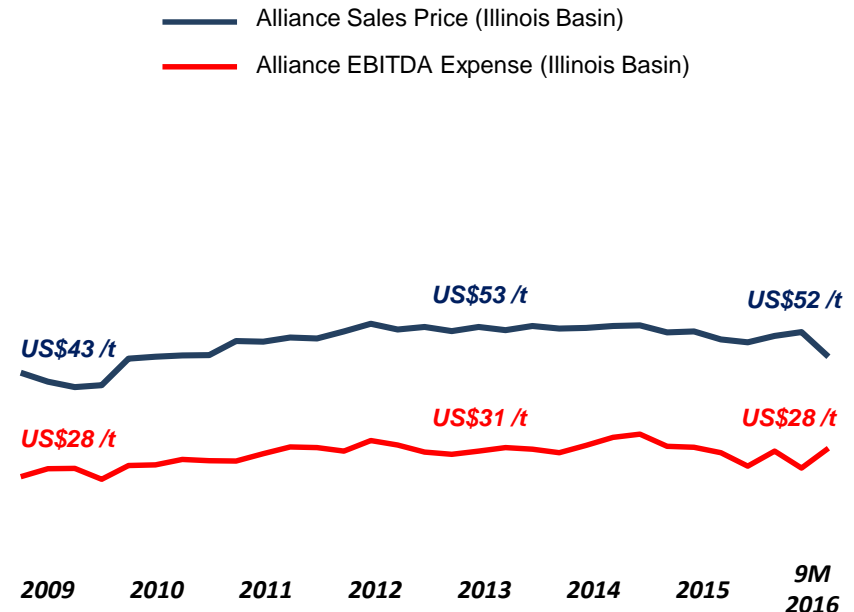
Alliance: Stable, High Margin Business

With its low cost Illinois Basin operations and its strength within its key domestic US coal sales markets, Alliance has created a stable, high margin natural resources business that lasts the cycle

Volatile Australian Thermal Market¹



Stable Predictable Alliance Margins²



Stable high margins, short construction periods, favourable permitting regimes and low capital intensity - provides a low risk entry point to finance new Illinois Basin mines

Source: Bloomberg, Company Filings, Alliance 10K & 10Q Filings

Notes:

(1) Comparison of Newcastle Benchmark Price and Operating Cash Costs for major Australian Thermal Coal Producers FOB (US\$ per tonne)

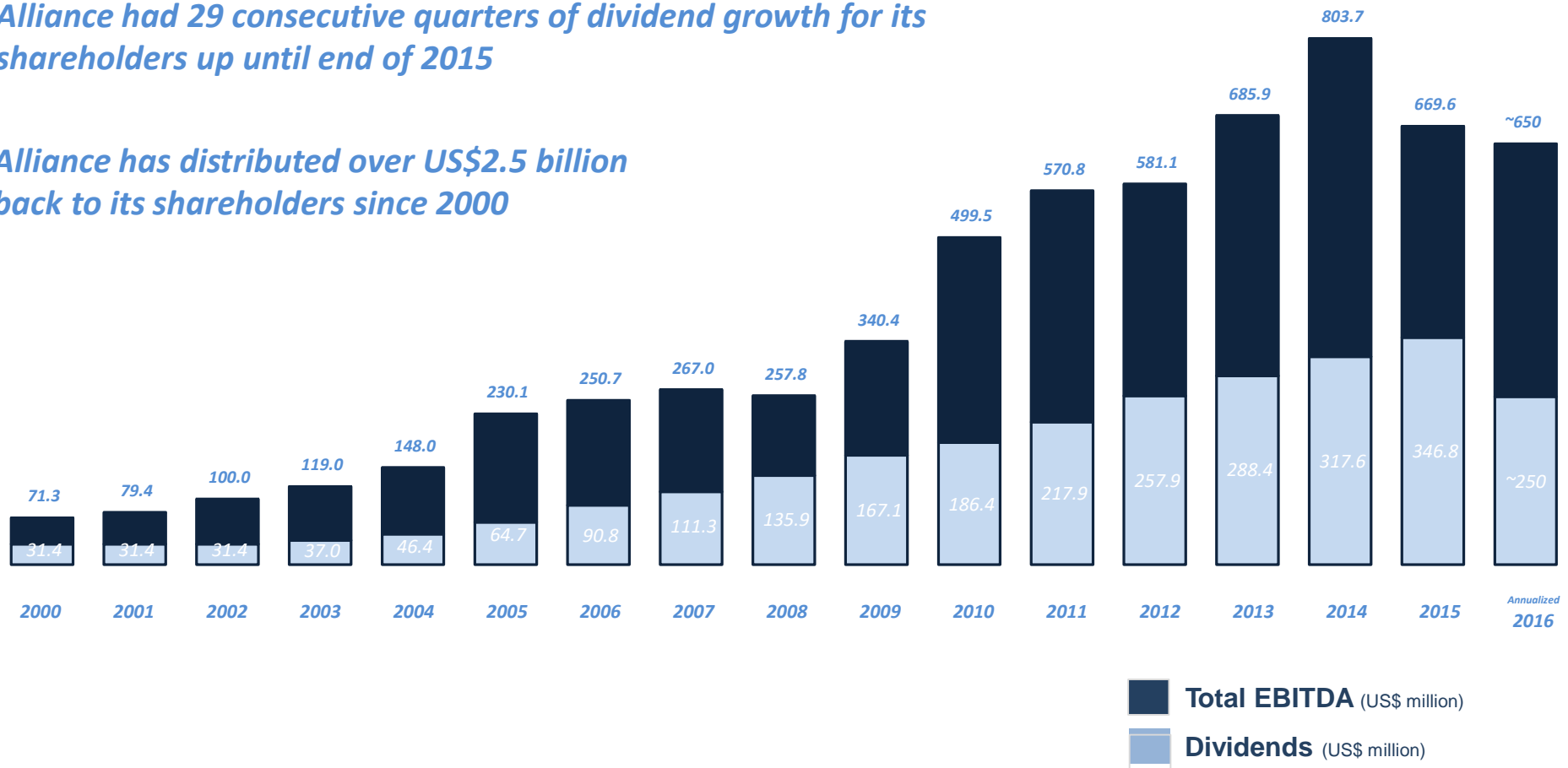
(2) Comparison of Alliance's average sales price and EBITDA expense for its Illinois Basin operations (US\$ per ton). Recent guidance provided by Alliance's CEO suggests sales pricing for 2017 and beyond to return to 2015 levels (Source: Alliance Sept Qtrly)

Alliance: Cash Flow Growth Through the Cycle

Alliance's strategy of steadily growing production of stable, high margin Illinois Basin coal mines, has seen it successfully grow cash flow throughout the cycle, leading to significant wealth creation for its shareholders

Alliance had 29 consecutive quarters of dividend growth for its shareholders up until end of 2015

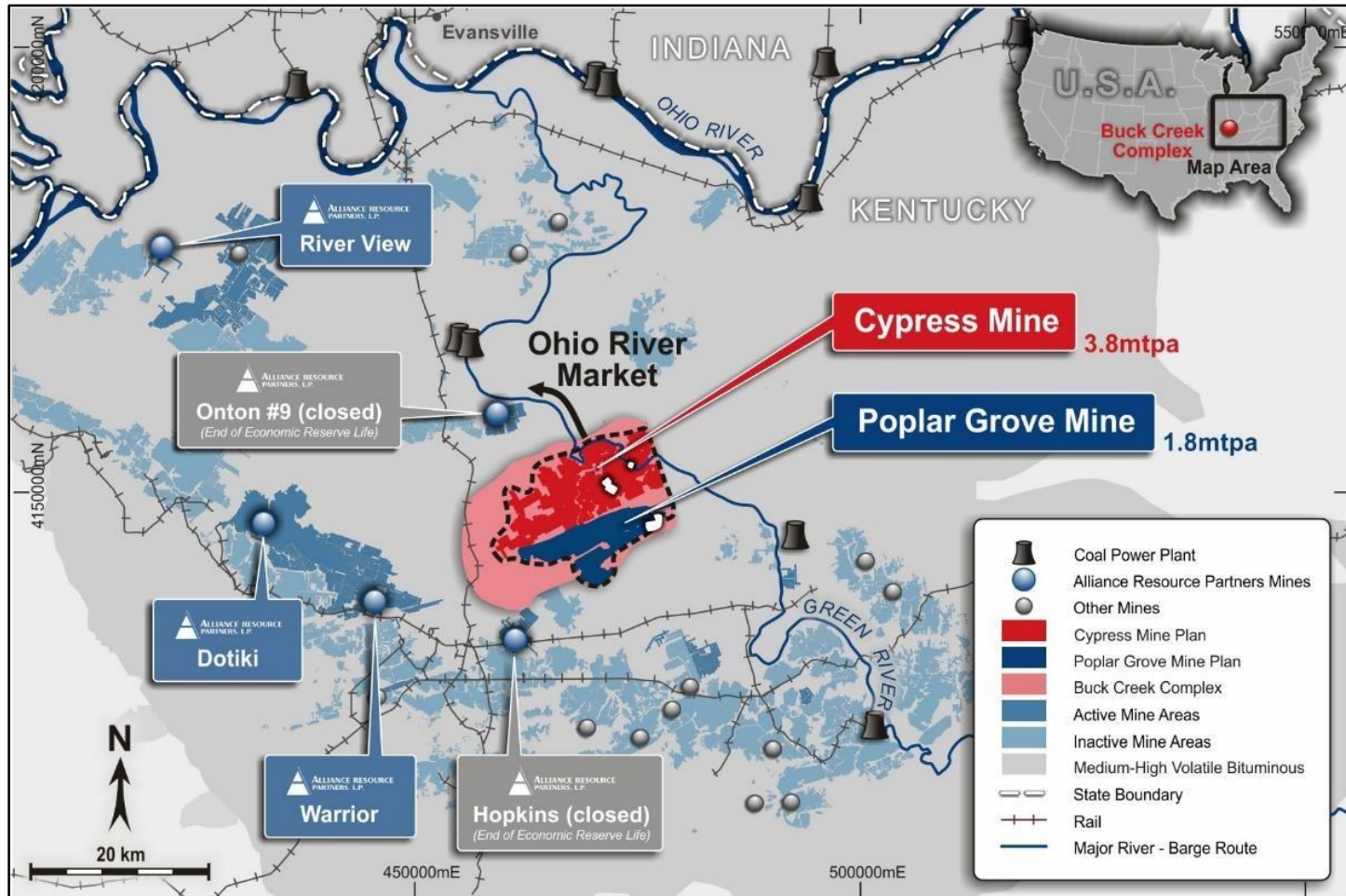
Alliance has distributed over US\$2.5 billion back to its shareholders since 2000



Paringa: Strategic Illinois Basin Assets

Located in the heartland of Alliance's western Kentucky mine region, Paringa's two operations will mine the same coal seams with similar coal quality, utilizing the same mining methods and equipment

Buck Creek Mine Complex and surrounding Alliance Western Kentucky Operations



Paringa: Low Capex, High Returns

Initial low cost development of the 1.8 Mtpa Poplar Grove, followed by the Cypress Mine, provides a clear pathway to strong, predictable free cashflow, as well as exposure to substantial upside as the production profile increases

Combined BFS Results

Annual Production¹

5.7 Mtpa

Initial Project Capital²

US\$40 million

Average EBITDA³

US\$132 million

Net Present Value⁴

US\$497 million

BFS Summary (Mine Level)	Poplar Grove	Cypress
Annual Production (Steady State)	1.8 Mtpa	3.9 Mtpa
Total Saleable Coal	45.7 million tons	66.2 million tons
Mine Life	27 years	18 years
Product Heating Content	11,200 Btu/lb	11,200 Btu/lb
Average Product Yield	76%	76%
Underground Mining Method	Room-and-Pillar	Room-and-Pillar
Construction Start Date	Q2 2017	Q1 2019
First Coal Production Date	Q2 2018	Q2 2021
Ramp-up Period to Full Production	12 months	18 months
Average Annual Opex (steady state)	US\$30.39 /ton	US\$27.37 /ton
Average Annual EBITDA (steady state)	US\$39 million	US\$94 million
Net Present Value (8%, ungeared)	US\$172 million	US\$316 million

(1) Nameplate production including both the Poplar Grove and Cypress Mines

(2) Represents initial project capital of the Poplar Grove Mine and excludes any contingencies, working capital, financing costs, corporate costs and any remaining vendor payments

(3) Based on steady state production, inclusive of leased equipment, royalties and severance taxes

(4) After-tax, ungeared, discount rate of 8%, does not equal the sum of the NPV figures for Poplar Grove and Cypress Mines due to the earlier utilization of the tax losses from Cypress against income from Poplar

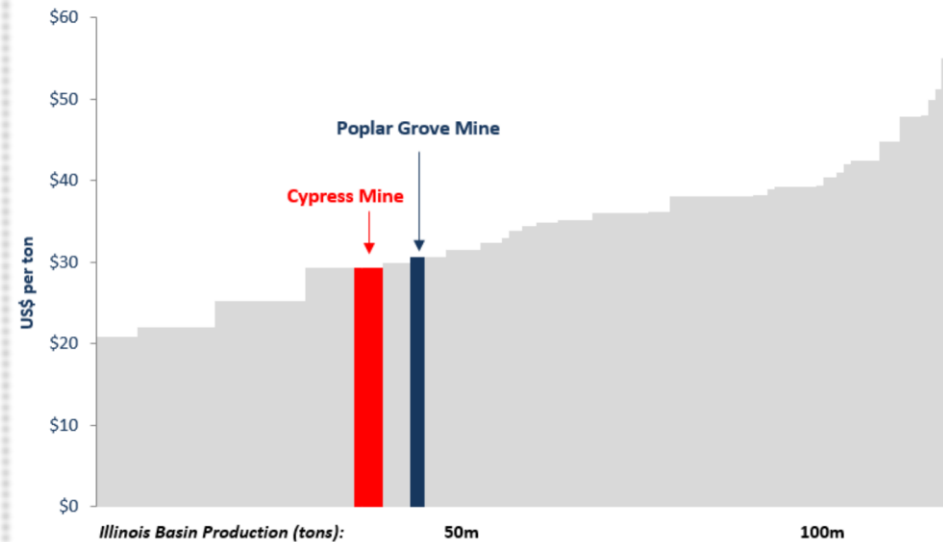
Low Cost Illinois Basin Mines

Paringa's low cost operations are typical for new room-and-pillar developments in the Illinois Basin

Poplar Grove: Opex (FOB Barge)¹

Opex Item	US\$ million
Labor and Benefits	US\$7.46
Operating & Maintenance	US\$8.75
Power & Utilities	US\$0.95
General & Administration	US\$1.21
Leased Equipment	US\$1.45
Sub-total Direct Mining Costs	US\$19.83
CHPP & Barge Load-Out Facility	US\$3.41
Transportation Costs (truck to barge load-out facility)	US\$1.65
Taxes & Insurance (includes Severance taxes)	US\$3.54
Royalties to Landowners	US\$1.96
Average Annual Operating Costs	US\$30.39 per ton

Illinois Basin: Cash Cost Curve



Comparison of Illinois Basin 2015 Coal "Mine Gate" Cash Costs vs Cypress and Poplar Grove Cash Costs (FOB Barge Green River)

Notes:
 (1) Based on steady state production, inclusive of leased equipment costs, royalties and severance taxes
 (2) Source: Company filings and Golder Associates, Inc.

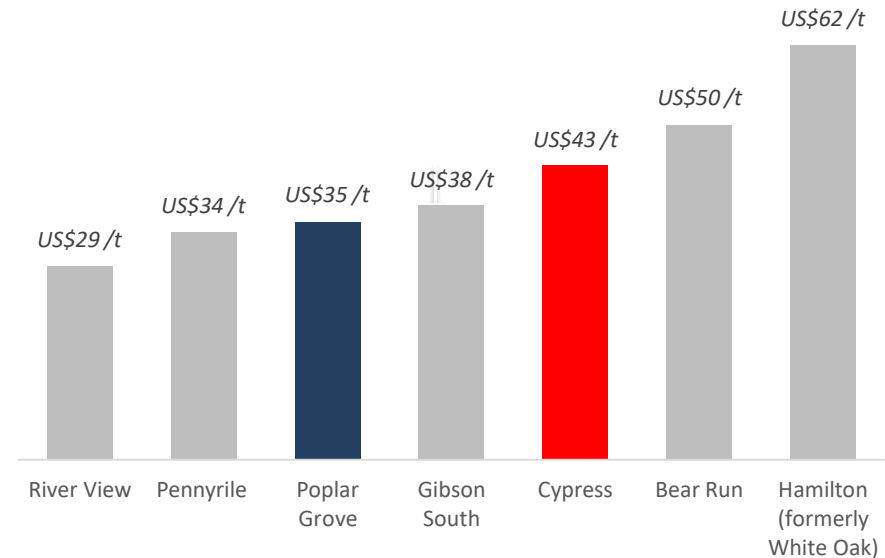
Low Capex Intensity

The capital intensity of Paringa's low cost development of Poplar Grove and Cypress Mines is in line with recent mine developments in the Illinois Basin

Poplar Grove: Initial Project Capex¹

Capital Item	US\$ million
Project Development	US\$5.6
Mine Development	US\$13.6
Sub-total Mine Development	US\$19.2
Coal Preparation Plant	US\$12.2
Refuse Disposal Site	US\$0.6
Materials Handling	US\$4.9
Barge Load-Out Facility and Road Upgrade	US\$3.0
Sub-total CHPP & Load-Out	US\$20.7
Total Initial Capital Cost	US\$39.9 million

Illinois Basin: Capital Intensity

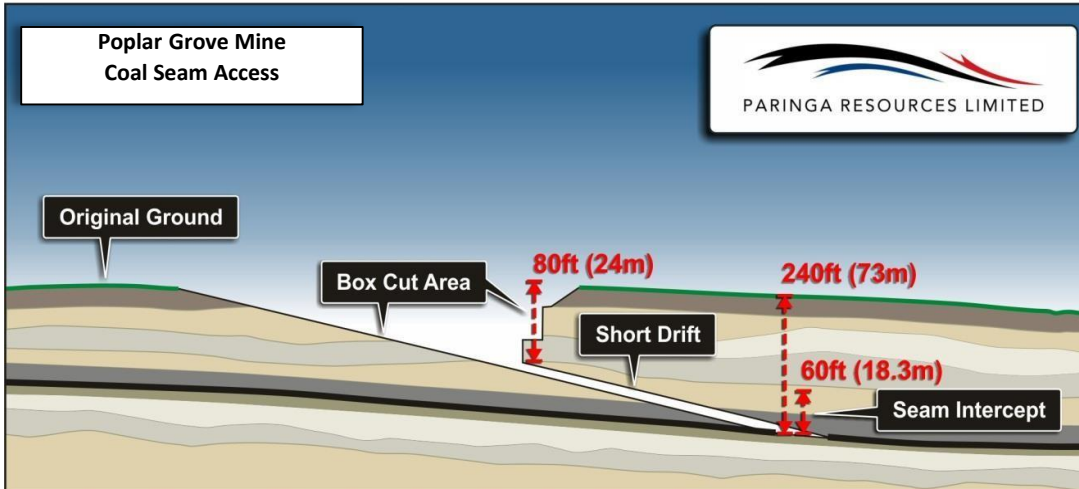


Capital Intensity of Illinois Basin Recent Mine Developments
(includes cost of leased equipment required to full production)

Notes:

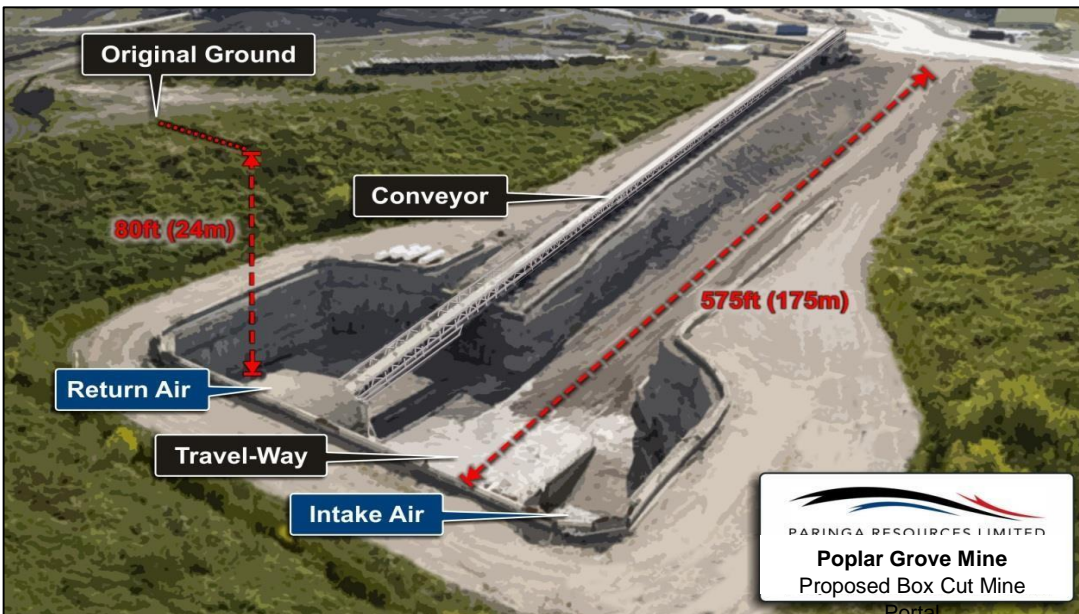
- (1) Represents initial project capital of the Poplar Grove Mine and excludes any contingencies, working capital, financing costs, corporate costs and any remaining vendor payments
 (2) Capital Intensity = Capex (US\$40m) + Leased Equipment (US\$23m, Scoping Study) / Production (1.8 Mtpa)

Poplar Grove: Low Capex Development



Initial Capex: US\$ 40 million

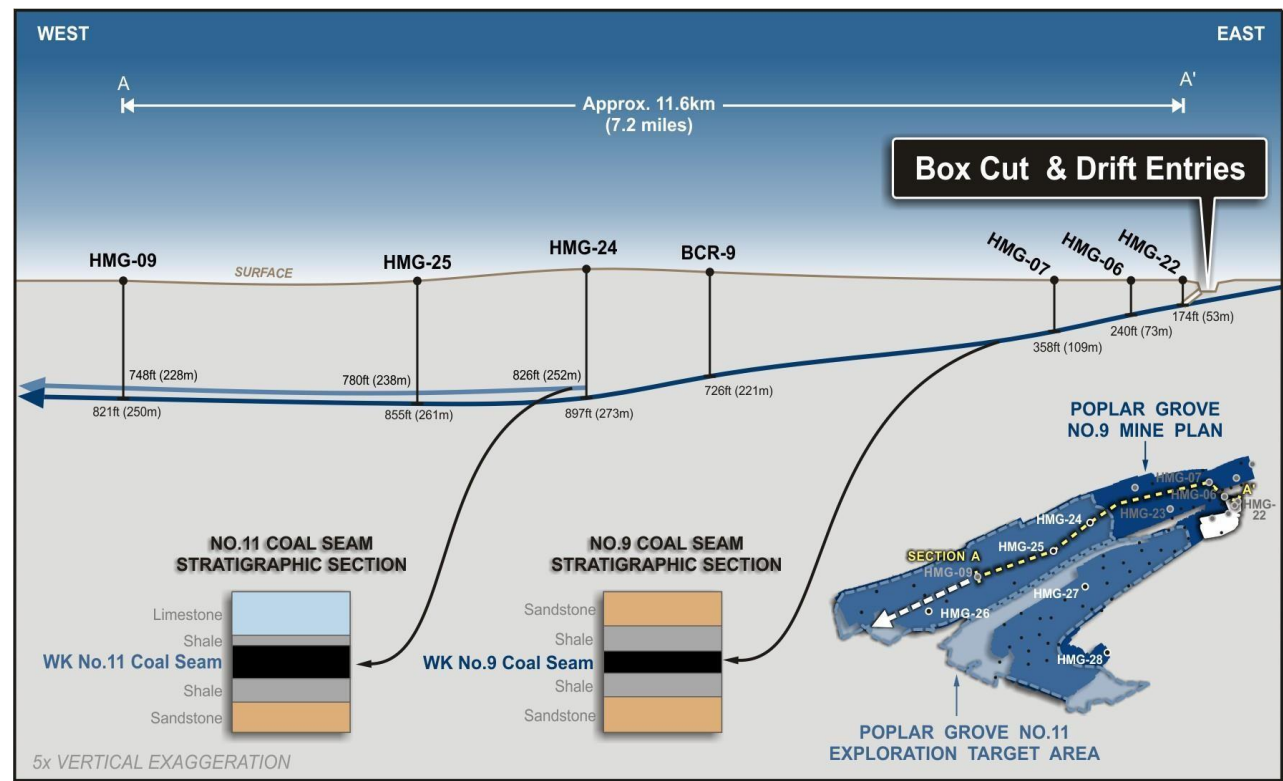
...the geology of the Poplar Grove Mine (WK No.9 seam) allows for a very quick and efficient method of accessing the coal seam which reduces the capital cost and time for construction significantly – it is the only region within Paringa's Buck Creek Complex where the coal seam comes to surface



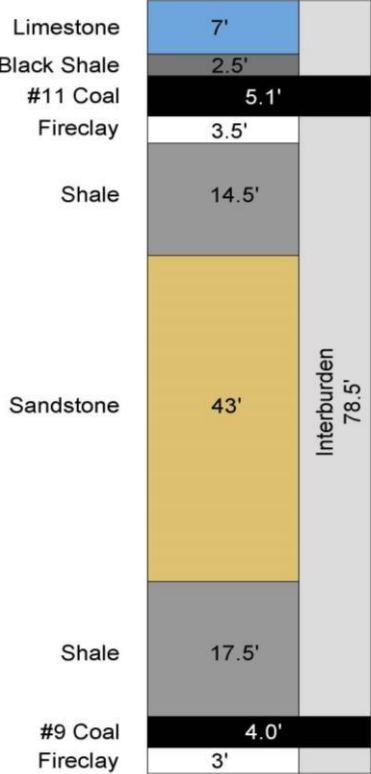
Potential Expansion at Poplar Grove

Coal seam thickness of the WK No.11 seam averages 5 feet with clean coal quality characteristics similar to the Poplar Grove Mine’s WK No.9 seam

Discovery of the WK No.11 above the WK No.9 seam at Poplar Grove



Stratigraphic Column of Drill Hole HMG-27



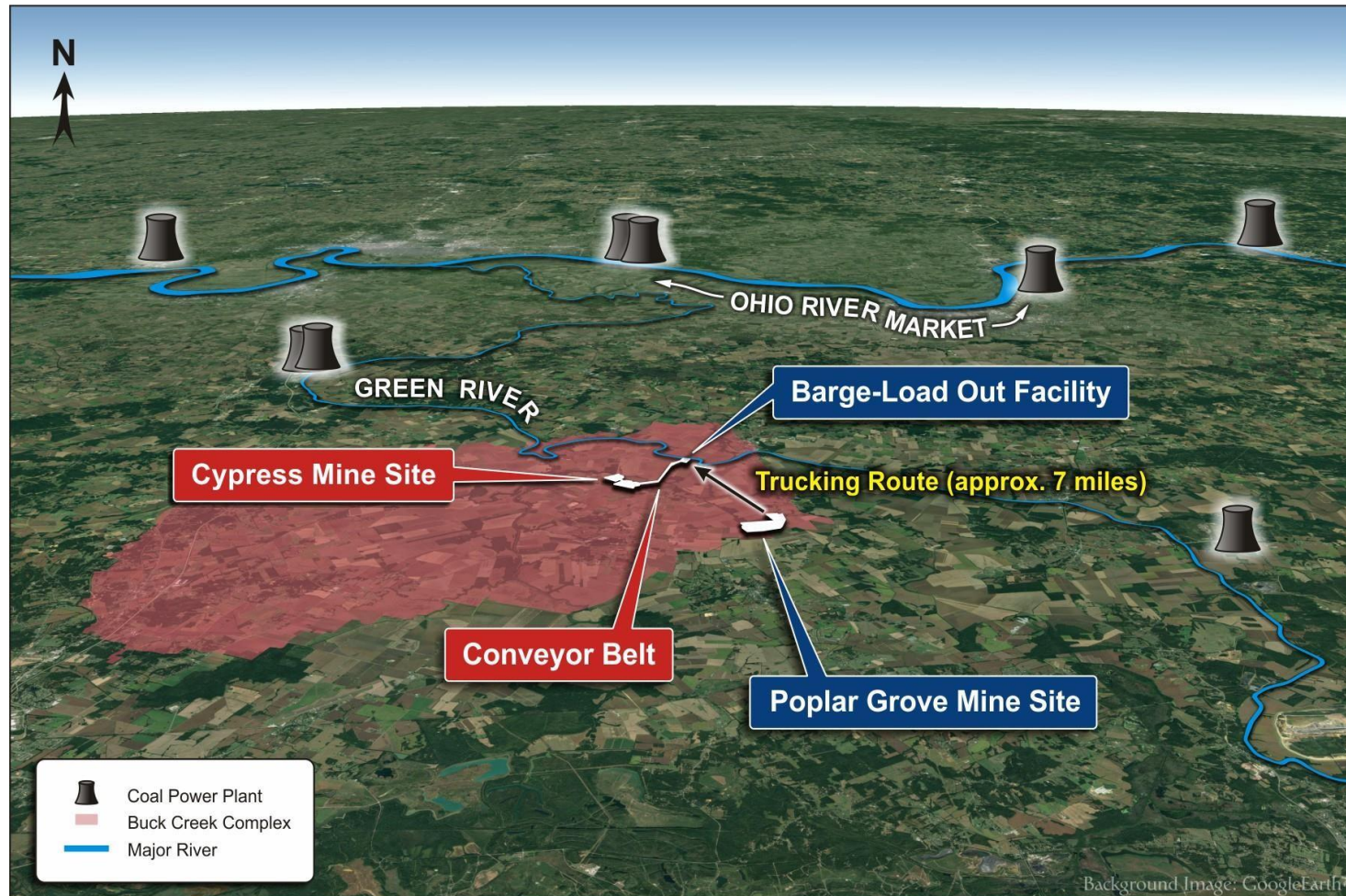
...Alliance’s 9 Mtpa River View mine¹ also mines both the WK No.11 and No.9 coal seams and is the most productive underground room-and-pillar coal mine in the USA

Notes:
(1) Alliance’s River View Mine is 40 miles northwest from the Buck Creek Complex

Cypress: Next Modular Mine Development

Fully permitted and “shovel-ready” Cypress Mine will be a significant, direct river access mine which will be constructed after the Poplar Grove and Poplar Grove Expansion have been fully commissioned

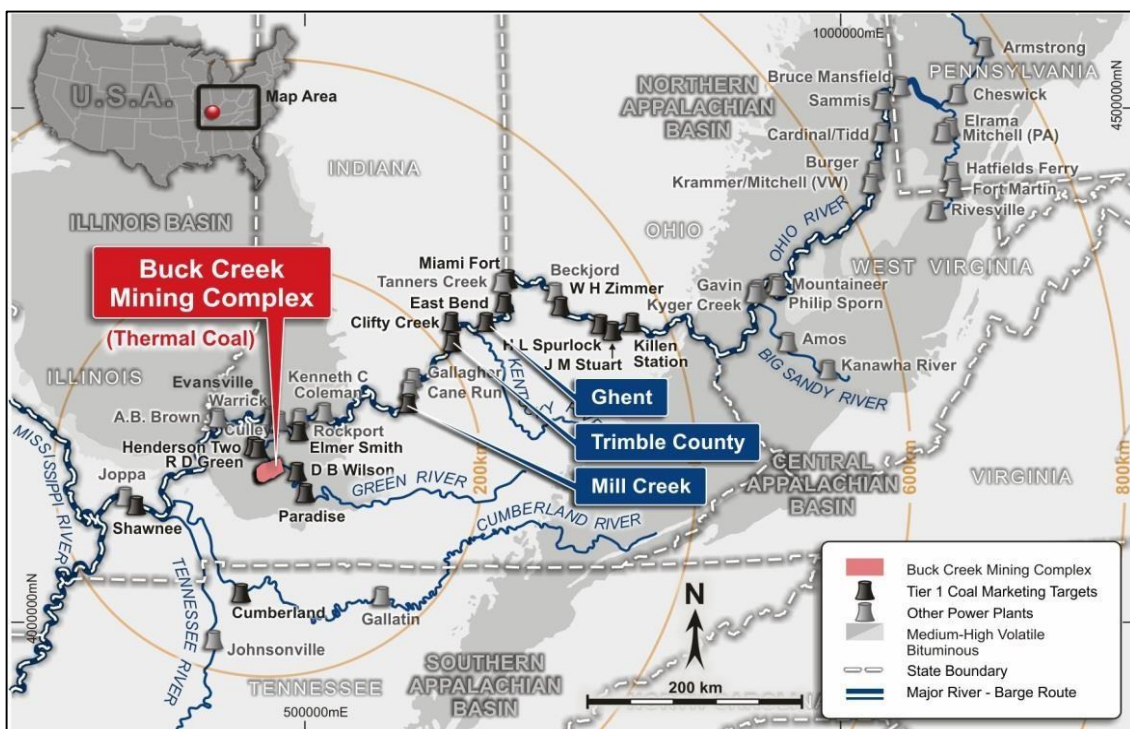
Poplar Grove and Cypress Mines Access to the Green and Ohio Rivers



Secured US\$205 Million Sales Contract

Paringa has successfully secured a US\$205 million fixed price, fixed tons sales contract for delivery of 4.75 million tons from 2018 to 2022 to LG&E and KU, representing almost 60% of annual production at Poplar Grove

LG&E 3 Power Plants within Ohio River Market



Summary of Key LG&E Contract Terms

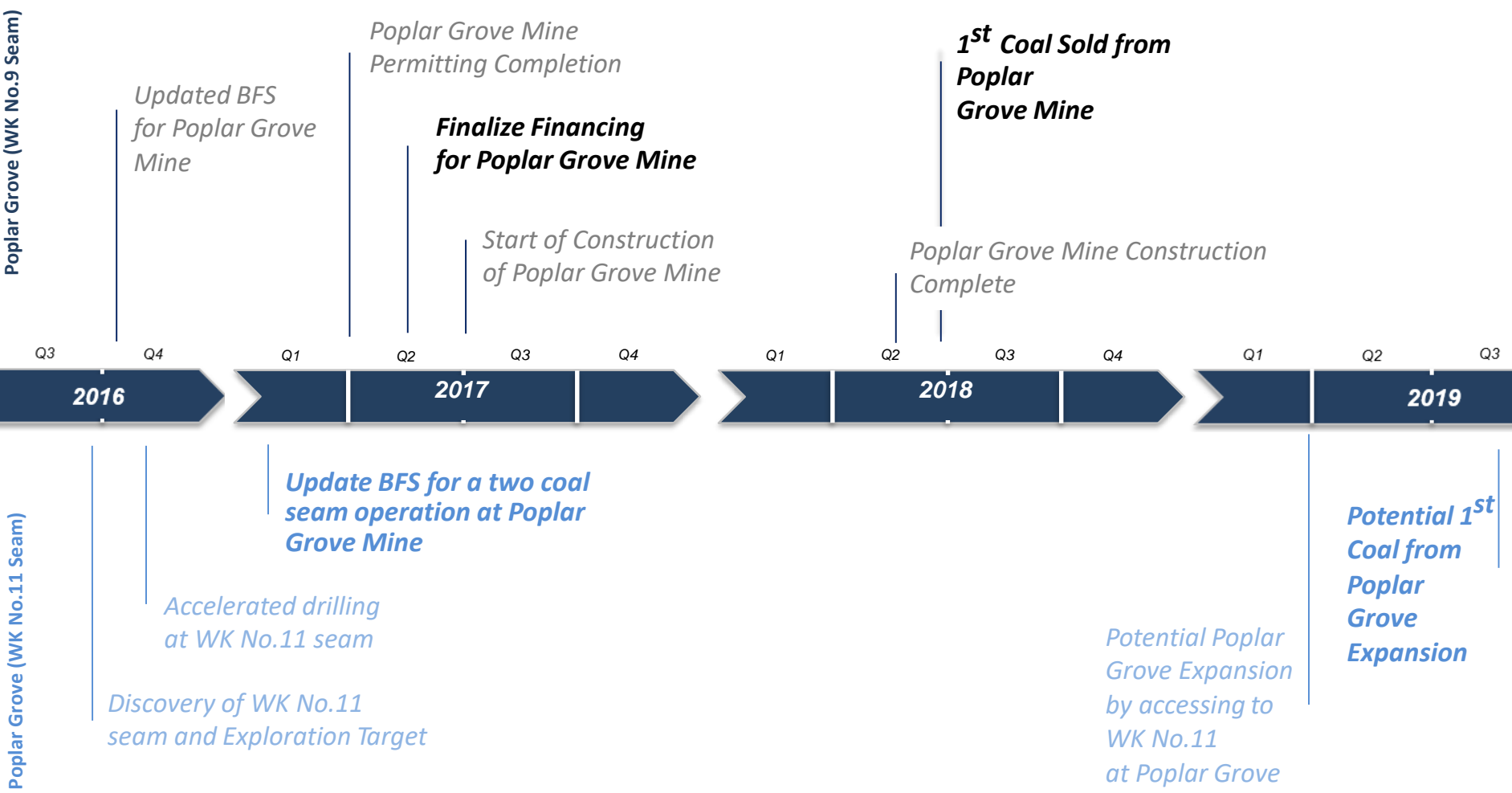
Contracted Production	Fixed Contract Price (FOB Barge; 11,200 btu/lb)
0 - 750,000 tons	US\$40.50 per ton
750,001 – 1,750,000	US\$41.50
1,750,001 – 2,750,000	US\$43.00
2,750,001 – 3,750,000	US\$44.25
3,750,001 – 4,750,000	US\$45.75
Total Sales Contract Value	US\$205 million



Contract implies ~30% EBITDA Margins at prices considered to be "bottom of the market"

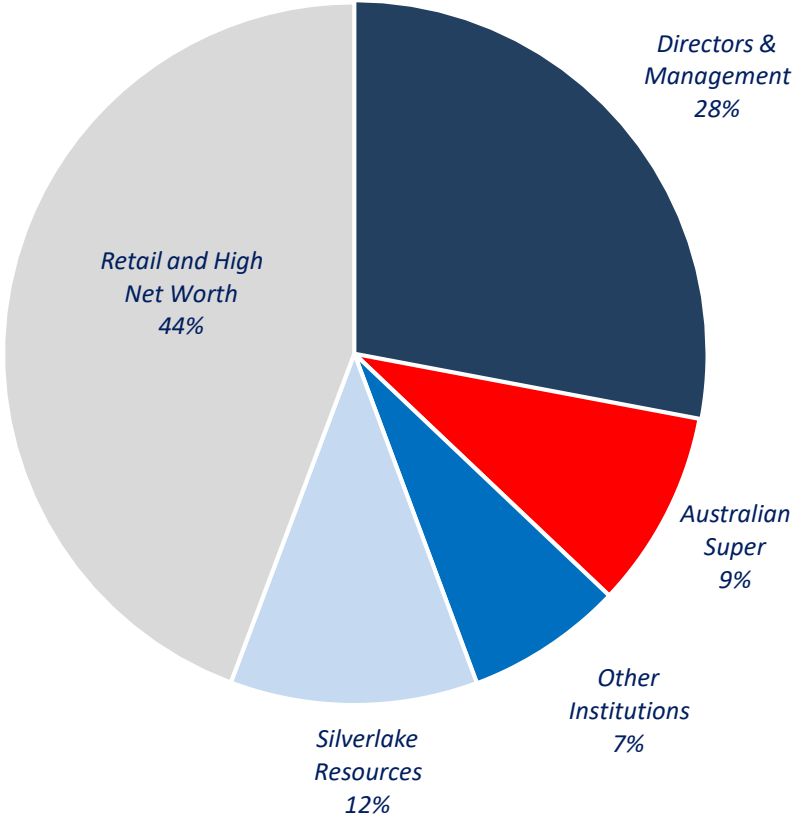
Short Timeline to First Coal at Poplar Grove

Paringa offers a compelling investment with a clear path to predictable, strong cash flows



Paringa Capital Structure

ASX Code	PNL
Key Corporate Statistics	
Shares on Issue	193.1 million
Options	13.4 million
Performance Rights	6.1 million
Market Capitalisation	
	US\$ 68 million
Cash	
	US\$ 3.5 million
JORC Compliant Resource ¹	250.7 million tons
JORC Compliant Reserves ²	82.7 million tons



Notes:
 (1) JORC Compliant Resource is comprised of 75.6 million tons in the Measured category and 175.1 Indicated category.
 (2) JORC Compliant Marketable Reserves is comprised of 23.7 million tons in the Proven category and 59.0 in the Probable Category

Management Team with Strong Track Record

A highly experienced management team with an outstanding track record in the US coal industry

Todd Hannigan
CEO

- Formerly the CEO of Aston Resources Ltd and was instrumental in developing the company into one of the largest publicly listed coal companies in Australia before merging with Whitehaven Resources Limited in a deal valued at over \$5 billion
- Graduate of the University of Queensland, holds a Bachelor of Engineering (Mining) with Honours, holds a Queensland first class mine manager's certificate and has a MBA from INSEAD

David Gay
*President
(US Operations)*

- Mining Engineer with over 30 years of experience in developing coal resources projects covering the entire coal development chain
- Business Unit President at Pittston Coal Group (20 years experience)
- Vice President Mergers and Acquisitions and Business Development at Alpha Natural Resources, one of the USA's largest coal producers

Nathan Ainsworth
*VP, Business
Development*

- Over 15 years experience in Investment Banking, Investment Advisory and Accounting specialising in the resources industry across North America, Europe, Middle East and Asia
- CFA Charterholder and member of Institute of Chartered Accountants

Matt Haaga
COO

- Mining Engineer with over 35 years of experience in developing coal resources throughout the USA
- Business Unit President and Vice President Engineering and Land at Peabody Energy (27 years experience), the world's largest private sector coal company

Rick Kim
General Manager

- Mining Engineer with over 13 years' experience working in the US coal industry managing continuous miner coal operations for Arch Coal and other major US coal producers
- MBA from the University of Pittsburgh and Bachelor of Mining Engineering

Jim Plaisted
*VP of Coal Sales and
Marketing*

- Former General Manager of Alliance Coal, LLC, subsidiary of Alliance Resource Partners, LP and was responsible for the marketing of coal from all seven of Alliance's Illinois Basin mining operations
- Instrumental in building Alliance up to a 39Mtpa coal producer which included the development of four "greenfield" coal projects

Highly Successful Board

A high quality Board with broad mining experience across the entire cycle of development, financing & production

Ian Middlemas <i>Chairman</i>	<ul style="list-style-type: none"> ▪ Highly respected resource executive with extensive finance, commercial and capital markets experience ▪ Current Chairman of Prairie Mining Ltd, Equatorial Resources Limited , Berkeley Energy Limited & former Chairman of Mantra Resources Limited & Papillon Resources Ltd
Todd Hannigan <i>Managing Director</i>	<ul style="list-style-type: none"> ▪ Formerly the CEO of Aston Resources Ltd and was instrumental in developing the company into one of the largest publicly listed coal companies in Australia before merging with Whitehaven Resources Limited in a deal valued at over \$5 billion ▪ Graduate of the University of Queensland, holds a Bachelor of Engineering (Mining) with Honours, holds a Queensland first class mine manager's certificate and has a MBA from INSEAD
David Gay <i>Executive Director</i>	<ul style="list-style-type: none"> ▪ Mining Engineer with over 30 years of experience in developing coal resources projects covering the entire coal development chain ▪ Business Unit President at Pittston Coal Group (20 years experience) ▪ Vice President Mergers and Acquisitions and Business Development at Alpha Natural Resources, one of the USA's largest coal producers
Tom Todd <i>Executive Director</i>	<ul style="list-style-type: none"> ▪ Chief Financial Officer of Aston Resources from 2009 to November 2011 and prior to this role, was Chief Financial Officer of Custom Mining, where his experience included project acquisition and funding of project development for the Middlemount project to the sale of the company to Macarthur Coal ▪ Graduate of Imperial College, Mr Todd holds a Bachelor of Physics with first class Honours.
Jonathan Hjelte <i>Non-Executive Director</i>	<ul style="list-style-type: none"> ▪ Mr Hjelte is a highly respected New York-based fund manager and has extensive experience in investment and portfolio management specializing in the mining, utilities, and energy sectors. Mr Hjelte is a portfolio Manager at Citadel LLC ▪ Mr Hjelte graduated Summa Cum Laude from Lehigh University where he received an M.S. in Statistics and a B.S. in the Integrated Business and Engineering honors program. He also holds the Chartered Financial Analyst (CFA) designation.
Rick McCormack <i>Non-Executive Director</i>	<ul style="list-style-type: none"> ▪ Mr McCormick was previously CEO of DRA Taggart (and Taggart Global), global leaders in coal processing plants, having constructed processing capacity in excess of 250 million tons per annum since 2000, including in the Illinois Basin ▪ Mr McCormick is a registered Professional Engineer and has Bachelors of Science degree in Mechanical Engineering from West Virginia University.
Taso Arima <i>Non-Executive Director</i>	<ul style="list-style-type: none"> ▪ Resource company executive with experience in development and funding of resource companies ▪ Founder & former Executive Director of Coalspur Mines Ltd having been instrumental in developing Coalspur from a A\$3 million market capitalisation to a A\$1.2 billion market capitalisation company upon his departure

Cautionary Statements and Important Information

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Forward Looking Statements

Some of the statements contained in this presentation are forward looking statements. Forward looking statements include but are not limited to, statements concerning plans for its mineral projects, exploration and development activities, development plans and timing, development and operating costs, and other statements which are not historical facts. When used in this presentation, and in other published information of Paringa, the words such as “aim”, “could”, “estimate”, “expect”, “intend”, “may”, “potential”, “should” and similar expressions are forward-looking statements.

Although Paringa believes that its expectations reflected in the forward-looking statements are reasonable, such statements involve risk and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements. Various factors could cause actual results to differ from these forward looking statements include the potential that Paringa’s projects may experience technical, geological, metallurgical and mechanical problems, changes in mineral product prices and other risks not anticipated by Paringa.

Competent Persons Statements

The information in this report that relates to Exploration Results, Coal Resources, Coal Reserves, Exploration Targets, 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 Exploration Results, Coal Resources, and Exploration Targets is based on, and fairly represents, information compiled or reviewed by Mr. Kirt W. Suehs, a Competent Person who is a Member of The American Institute of Professional Geologists. Mr. Suehs is employed by Cardno. Mr. Suehs has sufficient experience that is relevant to the style of mineralization and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the ‘Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves’ and to qualify as a Qualified Person as defined in the 2011 Edition of the National Instrument 43-101 and Canadian Institute of Mining’s Definition Standards on Mineral Reserves and Mineral Resources.

The information in the original ASX announcements that relates to Coal Reserves, Production Targets, Mining, Coal Preparation, Infrastructure, and Cost Estimation is based on, and fairly represents, information compiled or reviewed by Messrs. Justin S. Douthat and Gerard J. Enigk, both of whom are Competent Persons and are Registered Members of the Society for Mining, Metallurgy & Exploration. Messrs. Douthat and Enigk are employed by Cardno. Messrs. Douthat, and Enigk have sufficient experience that is relevant to the style of mineralization and type of deposit under consideration and to the activity being undertaken to qualify as Competent Persons as defined in the 2012 Edition of the ‘Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves’ and to qualify as Qualified Persons as defined in the 2011 Edition of the National Instrument 43-101 and Canadian Institute of Mining’s Definition Standards on Mineral Reserves and Mineral Resources.

Paringa confirms that: a) it is not aware of any new information or data that materially affects the information included in the original ASX announcements; b) all material assumptions and technical parameters underpinning the Coal Resource, Coal Reserve, Production Target, and related forecast financial information derived from the Production Target included in the original ASX announcements continue to apply and have not materially changed; and c) the form and context in which the relevant Competent Persons’ findings are presented in this presentation have not been materially modified from the original ASX announcements.



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