



PARINGA RESOURCES LIMITED

ABN 44 155 933 010

## OFFER DOCUMENT

for

An accelerated non-renounceable pro rata entitlement offer of one New Share for every four Shares held on the Record Date at an issue price of \$0.07 per New Share

**THE RETAIL ENTITLEMENT OFFER OPENS ON WEDNESDAY, 25 SEPTEMBER 2019 AND CLOSES AT 5.00PM (WST) ON FRIDAY, 4 OCTOBER 2019. VALID APPLICATIONS MUST BE RECEIVED BEFORE THAT TIME.**

**PLEASE READ THE INSTRUCTIONS IN THIS OFFER DOCUMENT AND ON THE ACCOMPANYING ENTITLEMENT AND ACCEPTANCE FORM REGARDING THE ACCEPTANCE OF YOUR ENTITLEMENT UNDER THE RETAIL ENTITLEMENT OFFER.**

**THIS IS AN IMPORTANT DOCUMENT WHICH REQUIRES YOUR IMMEDIATE ATTENTION AND SHOULD BE READ IN ITS ENTIRETY. IF YOU ARE IN DOUBT ABOUT WHAT TO DO, YOU SHOULD CONSULT YOUR STOCKBROKER, ACCOUNTANT, SOLICITOR, OR OTHER PROFESSIONAL ADVISER.**

**AN INVESTMENT IN THE SECURITIES OFFERED BY THIS OFFER DOCUMENT SHOULD BE CONSIDERED HIGHLY SPECULATIVE IN NATURE. PLEASE READ THE RISKS SECTION CAREFULLY WHEN YOU CONSIDER YOUR INVESTMENT.**

**NOT FOR RELEASE TO U.S. WIRE SERVICES OR DISTRIBUTION IN THE UNITED STATES OR ELSEWHERE OUTSIDE AUSTRALIA AND NEW ZEALAND.**

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# IMPORTANT INFORMATION

## General

This offer document (**Offer Document**) is issued pursuant to section 708AA of the Corporations Act (as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84) for the offer of New Shares without disclosure to investors under Part 6D.2 of the Corporations Act. This Offer Document has been prepared by Paringa Resources Limited ACN 155 933 010 and was lodged with ASX on Friday, 20 September 2019. ASX takes no responsibility for the content of this Offer Document.

This Offer Document is not a prospectus and does not contain all of the information that an investor would find in a prospectus or which may be required by an investor in order to make an informed investment decision regarding, or about the rights attaching to, New Shares. Nevertheless, this Offer Document contains important information and requires your immediate attention. It should be read in its entirety. If you are in any doubt as to how to deal with this Offer Document, you should consult your professional adviser as soon as possible.

No person or entity is authorised to give any information or to make any representation in connection with the Offers which is not contained in this Offer Document. Any information or representation not contained in this Offer Document should not be relied on as having been made or authorised by the Company or the Directors in connection with the Offers.

## No updates to Offer Document

The information in this Offer Document may not be complete and may be changed, modified or amended at any time by the Company, and is not intended to, and does not, constitute representations and warranties of the Company. Except as required by law or regulation, neither the Company, nor any other adviser of the Company intends to update this Offer Document or accepts any obligation to provide the recipient with access to information or to correct any additional information or to correct any inaccuracies that may become apparent in the Offer Document or in any other information that may be made available concerning the Company. Potential investors should conduct their own due diligence investigations regarding the Company.

## Application Forms

The Application Forms accompanying this Offer Document are important. An Application for New Shares under an Offer can only be submitted on an Application Form. If acceptance is by BPAY® there is no need to return the payment slip forming part of the Entitlement and Acceptance Form. The Entitlement and Acceptance Form sets out an Eligible Shareholder's Entitlement. Please refer to the instructions in Section 3 regarding the acceptance of your Entitlement and completion of the Entitlement and Acceptance Form.

By returning an Application Form, you acknowledge that you have received and read this Offer Document and you have acted in accordance with the terms of the Offers detailed in this Offer Document.

## Overseas Shareholders

This Offer Document does not, and is not intended to, constitute an offer of New Shares in any jurisdiction in which, or to any person to whom, it would be unlawful to make such an offer or to issue this Offer Document.

The Retail Offer is not being extended, and New Shares offered under it will not be issued, to Shareholders with a registered address which is outside Australia or New Zealand. It is not practicable for the Company to comply with the securities laws of overseas jurisdictions (other than those mentioned above) having regard to the number of overseas Shareholders, the number and value of New Shares these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction.

None of the information in this Offer Document or the Application Form that will accompany this Offer Document when it is despatched constitutes an offer to sell, or the solicitation of an offer to buy, any securities in the United States. Neither this Offer Document nor the Application Form, may be released to U.S. wire services, or distributed directly or indirectly, to any persons in the United States. The New Shares have not been, nor will be, registered under the U.S. Securities Act of 1933, as amended (**U.S.**

**Securities Act**) or the securities laws of any U.S. state or other jurisdiction of the United States. The New Shares to be offered and sold in the Retail Entitlement Offer may only be offered and sold outside the United States in "offshore transactions" in reliance on Regulation S under the U.S. Securities Act.

No action has been taken to permit the offer of New Shares to existing Shareholders in any jurisdiction other than Australia and New Zealand. This Offer Document may not be distributed to any person, and the New Shares may not be offered or sold, in any country outside Australia except to Shareholders with a registered address in New Zealand, to the extent permitted below.

### ***New Zealand***

The New Shares are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the Financial Markets Conduct Act 2013 and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016.

This document has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

### **Speculative investment**

An investment in New Shares should be considered highly speculative. Refer to the "KEY RISKS" section of the Investor Presentation included in Section 5 for details of the key risks applicable to an investment in the Company.

Persons wishing to apply for New Shares should read this Offer Document in its entirety in order to make an informed assessment of the assets and liabilities, financial position and performance, profits and losses and prospects of the Company and the rights and liabilities attaching to New Shares.

This Offer Document does not take into account the investment objectives, financial or taxation or particular needs of any Applicant. Before making any investment in the Company, each Applicant should consider whether such an investment is appropriate to his/her particular needs, their individual risk profile for speculative investments, investment objectives and individual financial circumstances. If persons considering applying for New Shares have any questions, they should consult their stockbroker, solicitor, accountant or other professional adviser.

There is no guarantee that New Shares will make a return on the capital invested, that dividends will be paid on the New Shares or that there will be an increase in the value of the New Shares in the future.

### **Future performance and forward looking statements**

This Offer Document contains certain forward looking statements including but not limited to with respect to the financial condition, results of operations, projects and business of the Company and certain plans and objectives of the Company. Forward looking statements include those containing words such as: "anticipate", "believe", "expect", "estimate", "should", "will", "plan", "could", "may", "intends", "guidance", "project", "forecast", "target", "likely", "continue", "objectives" and other similar expressions and include, but are not limited to, the outcome of the Entitlement Offer, and the use of proceeds, certain plans, strategies and objectives of the Company and expected financial performance. Any forward looking statements, opinions and estimates provided in this Offer Document are based on assumptions and contingencies which are subject to change without notice and involve known and unknown risks and uncertainties and other factors which are beyond the control of the Company and its officers, employees, agents, associates and advisers. Forward looking statements are provided as a general guide only and should not be relied on as an indication or guarantee of future performance. Readers should not place undue reliance on forward looking statements. Actual results may differ materially from those expressed or implied in such statements. Except to the extent required by law the Company undertakes no obligation to update these forward looking statements whether as a result of new information, future events or results or otherwise.

To the maximum extent permitted by law, the Company and its officers, employees, agents, associates and advisers and the Lead Manager do not make any representation or warranty, express

or implied as to the currency, accuracy, reliability or completeness of such information, or likelihood of fulfilment of any forward looking statements, and disclaim all responsibility and liability for these forward looking statements (including, without limitation, liability for negligence). Refer to the "KEY RISKS" section of the Investor Presentation included in Section 5 of this Offer Document for a summary of certain risk factors that may affect the Company. There is no assurance that actual outcomes will not differ materially from these forward looking statements.

### **Past performance**

Investors should note that past performance, including past share price performance, cannot be relied upon as an indicator of (and provides no guidance as to) future Company performance including future share price performance.

### **Website**

No document or information included on the Company's website is incorporated by reference into this Offer Document.

### **Diagrams**

Any diagrams used in this Offer Document are illustrative only and may not be drawn to scale. Unless otherwise stated, all data contained in charts, graphs and tables is based on information available at the date of this Offer Document.

### **Currency**

All financial amounts contained in this Offer Document are expressed as Australian dollars unless otherwise stated.

### **Rounding**

Any discrepancies between totals and sums and components in tables contained in this Offer Document are due to rounding.

### **Time**

All references to time in this Offer Document are references to Perth, Australia time, unless otherwise stated.

### **Glossary**

Defined terms and abbreviations used in this Offer Document are detailed in the glossary of terms in Section 4.

### **Offer Document intended to be read in conjunction with publicly available information**

This Offer Document is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest, including the announcements made by the Company on Wednesday, 18 September 2019.

All announcements made by the Company are available from its website [www.paringaresources.com](http://www.paringaresources.com) or the ASX website [www.asx.com.au](http://www.asx.com.au).

# CORPORATE DIRECTORY

## Directors

Mr Ian Middlemas	Chairman
Mr Todd Hannigan	Deputy Chairman
Mr Egan Antill	Managing Director & CEO
Mr David Gay	Executive Director & President
Mr Jonathan Hjelte	Non-Executive Director
Mr Richard McCormick	Non-Executive Director
Mr Thomas Todd	Non-Executive Director

## Company Secretary

Mr Gregory Swan	Company Secretary
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## Registered Office

Level 9, 28 The Esplanade  
Perth WA 6000  
Tel: +61 8 9322 6322  
Website: [www.paringaresources.com](http://www.paringaresources.com)  
ASX Code: PNL

## Share Registry

Computershare Investor Services Pty  
Limited  
Level 11, 172 St Georges Terrace  
Perth WA 6000

## Lawyers

DLA Piper Australia  
Level 31  
152 - 158 St Georges Terrace  
Perth WA 6000

## Lead Manager

Argonaut Securities Pty Limited  
Level 30  
77 St Georges Terrace  
Perth WA 6000

## INDICATIVE TIMETABLE

Event	Date
Announcement of Entitlement Offer	Wednesday, 18 September 2019
Record Date (5.00pm WST)	Friday, 20 September 2019
Retail Entitlement Offer opens	Wednesday, 25 September 2019
Institutional Entitlement Offer settlement	Friday, 27 September 2019
Issue and quotation of New Shares under Institutional Entitlement Offer	Monday, 30 September 2019
Retail Entitlement Offer closes (5.00pm WST)	Friday, 4 October 2019
Issue of New Shares under Retail Entitlement Offer ( <b>Retail Settlement Date</b> )	Friday, 11 October 2019
Quotation of New Shares under Retail Entitlement Offer	Monday, 14 October 2019
Despatch of holding statements for New Shares under the Retail Entitlement Offer	Tuesday, 15 October 2019

The above timetable is indicative only and subject to change. Subject to the Listing Rules, the Directors reserve the right, in conjunction with the Lead Manager to vary these dates, including the Closing Date, without prior notice. Any extension of the Closing Date will have a consequential effect on the anticipated date for issue of the New Shares. The Directors also reserve the right not to proceed with the whole or part of the Offers at any time prior to allotment. In that event, the relevant Application Monies will be returned without interest in accordance with the Corporations Act.

# 1. DETAILS OF THE ENTITLEMENT OFFER

## 1.1 Background

On Wednesday, 18 September 2019 the Company announced that it was undertaking a fundraising initiative to raise a total of approximately \$8.07 million (before costs). A copy of the announcement is included in Section 5 (**Offer Announcement**).

Details of the Entitlement Offer are set out below. The Entitlement Offer is being undertaken together with the Proposed Royalty Financing and Proposed Term Loan Amendment described in the Offer Announcement and Investor Presentation (included in Section 5).

The key purpose of the Entitlement Offer is to assist with funding the development of the Company Poplar Grove Mine and for general working capital purposes. The Company also aims to satisfy the US\$5 million equity raising (after costs) condition in respect of Proposed Royalty Financing and Proposed Term Loan Amendment by conducting the Entitlement Offer.

Further details of the Proposed Royalty Financing and Proposed Term Loan Amendment are described in the Offer Announcement and Investor Presentation (included in Section 5). The Offer Announcement and Investor Presentation contain important information for investors and should be read in detail, including the risks associated with investing in the Company. In particular investors should have regard to the risk "Proposed Tribeca Term Loan Amendment and Proposed Royalty Financing conditional and not definitively agreed" and note that if the Proposed Royalty Financing and Proposed Term Loan Amendment are not completed, then the Company will need to raise additional capital and/or negotiate waivers with Tribeca to avoid an event of default occurring under the Company's existing Term Loan Facility.

## 1.2 Entitlement Offer

The Company is making a non-renounceable accelerated pro rata entitlement offer to eligible Shareholders of New Shares at an issue price of \$0.07 each, on the basis of one (1) New Share for every four (4) Shares held on the Record Date, to raise approximately \$8.07 million (before costs) (**Entitlement Offer**).

The Entitlement Offer is being made pursuant to section 708AA of the Corporations Act (as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84).

The Entitlement Offer is comprised of two components:

- (a) **Institutional Entitlement Offer** - eligible institutional Shareholders were given the opportunity to take up all or part of their Entitlement. Entitlements under the Institutional Entitlement Offer were non-renounceable. This process was completed on Thursday, 19 September 2019; and
- (b) **Retail Entitlement Offer** - Eligible Retail Shareholders will be allotted Entitlements under the Retail Entitlement Offer which can be taken up in whole or in part. Entitlements under the Retail Entitlement Offer are also non-renounceable.



At the Record Date, the Company expects to have 461,251,181 Shares on issue. Up to a maximum of approximately 115,312,795 New Shares may be issued under the Entitlement Offer (subject to rounding).

All of the New Shares will rank equally with the Shares on issue at the date of this Offer Document. Refer to Section 2.16 for a summary of the rights attaching to New Shares.

Where the determination of the Entitlement of any Eligible Retail Shareholder results in a fraction of a New Share, such fraction will be rounded up to the nearest whole New Share.

This Offer Document is also for the offer of New Shares that are not applied for under the Entitlement Offer. Refer to Section 2.4 for further details of the Shortfall Offer.

### **1.3 The Institutional Entitlement Offer**

On Thursday 19 September 2019, the Company successfully completed the Institutional Entitlement Offer to raise approximately \$3.12 million (including Shortfall Shares) at an issue price of \$0.07 per New Share.

New Shares under Institutional Entitlement Offer are expected to be issued on Monday, 30 September 2019.

### **1.4 The Retail Entitlement Offer**

Eligible Retail Shareholders are being invited to subscribe for one (1) New Share for every four (4) Shares held on the Record Date at the offer price of \$0.07 per New Share.

The offer ratio and offer price for New Shares under the Retail Entitlement Offer are the same as for the Institutional Entitlement Offer.

The Retail Entitlement Offer opens on Wednesday, 25 September 2019 and will close at 5.00pm (WST) on Friday, 4 October 2019 (unless extended or withdrawn).

### **1.5 Reasons for the Entitlement Offers**

The purpose of the Entitlement Offer is to assist with funding the mine ramp-up of the Company's Polar Grove Mine to positive cashflow and for general working capital purposes. The Company also aims to satisfy the US\$5 million equity raising (after costs) condition in respect of Proposed Royalty Financing and Proposed Term Loan Amendment described in the Investor Presentation (included in Section 5) by conducting the Entitlement Offer.

The Company will use the funds raised from the Entitlement Offer (after costs) for:

- (a) Poplar Grove Mine capital expenditures, including underground mine progression, surface infrastructure, and ongoing sustaining capital;
- (b) Working capital and Poplar Grove Mine operating expenditures, including operating costs associated with staffing, mining and processing operations, office, corporate and administration, net of revenues and royalties;
- (c) Interest and transaction costs associated with the Proposed Royalty Financing and Proposed Term Loan Amendment; and

- (d) Maintaining a minimum cash balance as required under the Company's existing Term Loan Facility.

Assuming the Offers are fully subscribed and the conditions to the Proposed Royalty Financing are satisfied and complete, the Company expects to have the following source of funds available:

Source of Funds	US\$ <sup>(3)</sup>	A\$ <sup>(3)</sup>
Entitlement Offer <sup>(1)</sup>	US\$5.6 million	A\$8.1 million
Proposed Royalty Financing <sup>(2)</sup>	US\$9.0 million	A\$13.0 million
Cash balance (1 September 2019)	US\$5.4 million	A\$7.8 million
<b>Total</b>	<b>US\$20.0 million</b>	<b>A\$28.9 million</b>

<sup>1</sup> Assumes the Entitlement Offer and Shortfall Offer are fully subscribed.

<sup>2</sup> Assumes the conditions to the Proposed Royalty Financing are satisfied and the Proposed Royalty Financing is completed. See the Investor Presentation for further details on the terms of the Proposed Royalty Financing.

<sup>3</sup> Assumes an AUD:USD exchange rate of 0.69.

The Company intends to apply the total funds of US\$20.0 million (refer to source of funds table above, which assumes the Offers are fully subscribed and the Proposed Royalty Financing completes), as follows:

Description <sup>(1)</sup>	US\$ <sup>(2)</sup>	A\$ <sup>(2)</sup>
Poplar Grove Mine capital expenditures	US\$5.7 million	A\$8.2 million
Working capital and Poplar Grove Mine operating expenditures	US\$5.6 million	A\$8.1 million
Interest and transaction costs <sup>(3)</sup>	US\$3.5 million	A\$5.1 million
Minimum cash balance	US\$5.0 million	A\$7.2 million
Estimated costs of the Entitlement Offer <sup>(4)</sup>	US\$0.2 million	A\$0.3 million
<b>Total</b>	<b>US\$20.0 million</b>	<b>A\$28.9 million</b>

<sup>1</sup> 1 October 2019 to 31 January 2020.

<sup>2</sup> Assumes an AUD:USD exchange rate of 0.69.

<sup>3</sup> Transaction costs associated with the Proposed Royalty Financing and Proposed Term Loan Amendment.

<sup>4</sup> Comprising ASX fees, legal costs, broker fees, printing and share registry costs. This includes a 3% fee on the amount raised under the Institutional Entitlement Offer payable to the Lead Manager. In addition, the Company may also pay the Lead Manager a placement fee to be agreed between the Company and Lead Manager for any funds raised under the Shortfall Offer.

If less than US\$14.6 million is raised from the Offers and the Proposed Royalty Financing, the Company intends that the funds will be applied firstly to associated expenses of the Entitlement Offer and then scale back funds available for capital expenditure and working capital. This may also result in the Company needing to raise additional capital and/or negotiate waivers with Tribeca to avoid an event of

default occurring under the Company's existing Term Loan Facility. Refer to the risks included in the Investor Presentation in Section 5 for further details.

The above statements in respect of use of funds are statements of the Board's intentions as at the date of this Offer Document. The allocation of funds may change depending on a number of factors, including the outcome of operational and development activities, regulatory developments, market and general economic conditions and environmental factors. In light of this, the Board reserves the right to alter the way the funds are applied.

## 1.6 Capital structure

If the Entitlement Offer is fully subscribed, the Company's capital structure will be as follows:

	Number of Shares	Number of options	Number of performance rights
Balance as at the date of this Offer Document	461,251,181	42,188,888 <sup>(1),(3),(4)</sup>	16,395,000 <sup>(2),(4)</sup>
Available under the Entitlement Offer <sup>(5)</sup>	115,312,795	-	-
<b>Total following Offers</b>	<b>576,563,976<sup>(6)</sup></b>	<b>42,188,888</b>	<b>16,395,000</b>

<sup>1</sup> Comprising:

- (i) 575,000 unquoted options exercisable at \$0.60 on or before 31 December 2023;
- (ii) 575,000 unquoted options exercisable at \$0.50 on or before 31 December 2023;
- (iii) 575,000 unquoted options exercisable at \$0.40 on or before 31 December 2023;
- (iv) 575,000 unquoted options exercisable at \$0.30 on or before 31 December 2023;
- (v) 4,444,444 unquoted options exercisable at \$0.66 on or before 5 April 2021;
- (vi) 4,444,444 unquoted options exercisable at \$0.34 on or before 10 September 2022;
- (vii) 18,000,000 unquoted options exercisable at \$0.20 on or before 30 April 2023;
- (viii) 7,000,000 unquoted options exercisable at \$0.20 on or before 12 September 2023; and
- (ix) 6,000,000 unquoted options exercisable at \$0.33 on or before 30 June 2021.

<sup>2</sup> Comprising:

- (i) 4,635,000 unquoted performance rights subject to the First Coal Production Milestone and expiring on 31 December 2019;
- (ii) 6,260,000 unquoted performance rights subject to the Nameplate Production Milestone and expiring on 31 December 2020;
- (iii) 2,500,000 unquoted performance rights subject to the 1.7 Mtpa Coal Production Milestone and expiring on 31 December 2020; and
- (iv) 3,000,000 unquoted performance rights subject to the 2.7 Mtpa Coal Production Milestone and expiring on 31 December 2021.

<sup>3</sup> Not including 30,000,000 unquoted options with an exercise price of A\$0.085 and 30,000,000 unquoted options with an exercise price of A\$0.10 which the Company may issue to lenders, and not adjusted for the 25,000,000 unquoted options previously issued to lenders which may be cancelled, if the Proposed Term Loan Amendment described in the Investor Presentation included in Section 5 proceeds, subject to shareholder approval and applicable ASX waivers being obtained;

<sup>4</sup> Not including 2,000,000 unquoted options exercisable at A\$0.085 on or before 31 December 2021, 3,000,000 unquoted options exercisable at A\$0.010 on or before 31 December 2021, 750,000 unquoted performance rights subject to the 1.7 Mtpa Coal Production Milestone and expiring on 31 December 2021, 1,250,000 unquoted performance rights subject to the 2.7 Mtpa Coal Production Milestone and expiring on 31 December 2022, to be issued to the Company's new operations executive, Mr. Jim Middleton, as part of his remuneration arrangements.

<sup>5</sup> Subject to rounding. Assumes no Shares are issued pursuant to the exercise of options or vesting of the performance rights.

<sup>6</sup> A royalty financing fee equal to 3% of the value of the Proposed Royalty Financing (described in the Investor Presentation included in Section 5) will be payable in Shares to Argonaut Capital Limited at an issue price equal to A\$0.07 upon the Royalty Financing completing. The above table does not include these Shares.

## **2. FURTHER DETAILS OF THE ENTITLEMENT OFFER**

### **2.1 Minimum subscription**

There is no minimum subscription for the Entitlement Offer.

### **2.2 Entitlements and acceptance**

The Entitlement of Eligible Retail Shareholders to participate in the Retail Entitlement Offer is determined on the Record Date. Your Entitlement is shown on the Entitlement and Acceptance Form accompanying this Offer Document.

Acceptance of a completed Entitlement and Acceptance Form and Application Monies by the Company creates a legally binding contract between the Applicant and the Company for the number of New Shares accepted by the Company. The Entitlement and Acceptance Form does not need to be signed to be a binding acceptance of New Shares.

If an Entitlement and Acceptance Form is not completed correctly it may still be treated as valid. The Directors' decision as to whether to treat the acceptance as valid and how to construe, amend or complete the Entitlement and Acceptance Form is final.

### **2.3 No rights trading**

The rights to New Shares under the Entitlement Offer are non-renounceable. Accordingly, there will be no trading of rights on the ASX and you may not dispose of your rights to subscribe for New Shares under the Retail Entitlement Offer to any other party. If you do not take up your Entitlement by the Closing Date, the Retail Entitlement Offer to you will lapse.

### **2.4 Shortfall Offer**

Any New Shares under the Retail Entitlement Offer that are not applied for will form the Shortfall Shares. The offer to issue Shortfall Shares is a separate offer under this Offer Document (**Shortfall Offer**).

Under the Shortfall Offer, the Company offers to issue the Shortfall Shares to eligible investors at \$0.07 each, being the same price as the New Shares being offered under the Entitlement Offer.

The Shortfall Offer is currently scheduled to close on the Closing Date but the Directors reserve the right to extend the date that the Shortfall Offer closes by up to three months after the closing date of the Retail Entitlement Offer, without prior notice.

Eligible Retail Shareholders may apply for Shortfall Shares by completing the relevant section of their Entitlement and Acceptance Form (refer to Section 3.1(b) for further details). See Section 2.5 for further details on the Shortfall allocation policy.

An Application for Shortfall Shares accompanied by payment of Application Monies does not guarantee the allotment of any Shortfall Shares. The Shortfall Shares will be allocated within three months after the Closing Date.

In relation to the Shortfall Offer, the Company reserves the right to issue an Applicant a lesser number of Shortfall Shares than the number applied for, reject an

Application or not proceed with issuing the Shortfall Shares or part thereof. If the number of Shortfall Shares issued is less than the number applied for, surplus Application Monies will be refunded in full. Interest will not be paid on Application Monies refunded.

## 2.5 Shortfall allocation policy

Unless otherwise determined by the Company, if there is a Shortfall, the Company will allocate Shortfall Shares according to the following priority:

- (a) Shortfall Shares may be allocated to any Eligible Retail Shareholders who apply for Shortfall Shares under the Shortfall Offer, at the absolute discretion of the Directors.
- (b) If following the allocation in paragraph (a), there remains a Shortfall, to those eligible investors who apply for Shortfall Shares following an invitation from the Company in consultation with the Lead Manager.
- (c) If following the allocation in paragraph (b), there remains a Shortfall, the Directors reserve the right to issue the remaining Shortfall at their discretion subject to compliance with the Corporations Act and Listing Rules.

Shortfall Shares will not be offered or issued to any Applicant if, in the view of the Directors, to do so would increase that Applicant's voting power in the Company above 19.9% or otherwise result in a breach of the Listing Rules, the Corporations Act or any other applicable law.

## 2.6 Underwriting

The Entitlement Offer is not underwritten.

## 2.7 Dilution and effect on the control of the Company

Shareholders should note that if they do not participate in the Entitlement Offer and the Entitlement Offer is otherwise fully subscribed, their holdings will be diluted to the extent of the number of New Shares and Shortfall Shares taken up under the Offers.

The Offers are not expected to give rise to control implications for the Company albeit that the effect of the Offers on the voting power in the Company, for the purposes of the Corporations Act, is dependent upon the number of New Shares and Shortfall Shares taken up.

## 2.8 Directors' Interests

Each Director's interest in the securities of the Company as at the date of this Offer Document and their Entitlement is detailed in the table below.

Director	Shares	Options	Performance rights	Entitlement <sup>(1)</sup>
Mr Ian Middlemas	14,015,152	-	-	3,503,788
Mr Todd Hannigan	12,111,104	-	1,750,000	3,027,776
Mr Egan Antill	-	2,300,000	5,500,000	-
Mr David Gay	3,520,292	-	2,100,000	-(2)

Mr Jonathan Hjelte	1,449,001	-	-	_(2)
Mr Richard McCormick	1,000,000	-	-	_(2)
Mr Thomas Todd	6,949,359	-	875,000	1,737,340

<sup>1</sup> Assumes no options are exercised and no performance rights vest prior to the Record Date.

<sup>2</sup> Messrs David Gay, Jonathan Hjelte and Richard McCormick are Ineligible Shareholders and are therefore not entitled to participate in the Entitlement Offer.

## 2.9 Ineligible Shareholders

The Entitlement Offer will not be made to Shareholders with a registered address outside Australia and New Zealand (**Ineligible Shareholders**).

The Company is of the view that it is unreasonable to make the Entitlement Offer to the Ineligible Shareholders due to a small number of such Shareholders and the number and value of New Shares these Shareholders would be offered, the cost of complying with applicable regulations in jurisdictions outside Australia and New Zealand, and the administrative burden that will place on the Company in making the Offers available to Shareholders in the affected jurisdictions.

**This Offer Document and the Entitlement and Acceptance Form do not, nor are they intended to, constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer.**

New Shares that would have been offered to Ineligible Shareholders had they been entitled to participate in the Entitlement Offer will be offered by the Company to eligible investors invited by the Company in consultation with the Lead Manager, to whom such an offer can lawfully be made, at \$0.07, being the same as the issue price under the Entitlement Offer. There will be no net proceeds available for distribution to Ineligible Shareholders.

## 2.10 Option holders and performance rights holders

Option holders and performance rights holders are not entitled to participate in the Entitlement Offer, unless the exercise their options or their performance rights convert and they are registered as the holder of the resulting Shares by the Record Date and they are not Ineligible Shareholders.

## 2.11 Notice to nominees and custodians

The Retail Entitlement Offer is being made to all Eligible Retail Shareholders. Nominees and custodians with registered addresses in the eligible jurisdictions, irrespective of whether they participate under the Institutional Entitlement Offer, may also be able to participate in the Retail Entitlement Offer in respect of some or all of the beneficiaries on whose behalf they hold Shares, provided that the applicable beneficiary would satisfy the criteria for an Eligible Retail Shareholder.

Nominees and custodians which hold Shares as nominees or custodians will have received, or will shortly receive, a letter from the Company. Nominees and custodians should consider carefully the contents of that letter and note in particular that the Retail Entitlement Offer is not available to:

- (a) beneficiaries on whose behalf they hold Shares who would not satisfy the criteria for an Eligible Retail Shareholder;

- (b) persons in the United States or persons acting for the account or benefit of persons in the United States (to the extent such person holds Shares for the account or benefit of such person in the United States); and
- (c) Ineligible Shareholders who received an offer to participate in the Institutional Entitlement Offer (whether they accepted their Entitlement or not); or
- (d) Ineligible Shareholders who were ineligible to participate in the Institutional Entitlement Offer.

Due to legal restrictions, nominees and custodians may not send copies of this Offer Document or accept the Retail Entitlement Offer on behalf of any person in the United States or other jurisdiction outside Australia or New Zealand, except to beneficial shareholders who are institutional or professional investors in certain foreign countries to the extent contemplated in the Investor Presentation (included in Section 5) under the section titled "International Offer Restrictions" or as the Company may otherwise permit in compliance with applicable law.

The Company is not required to determine whether or not any registered Shareholder is acting as a nominee or custodian or the identity or residence of any beneficial owners of Shares. Persons acting as nominees or custodians for other persons must not take up Entitlements on behalf of, or send any documents related to the Retail Entitlement Offer to, any persons outside Australia and New Zealand.

Nominees and custodians may not distribute any part of this Offer Document or the Entitlement and Acceptance Form in any other country outside Australia and New Zealand without the consent of the Company, taking into consideration applicable securities laws.

## **2.12 Opening and closing dates**

The Company will accept Entitlement and Acceptance Forms in respect of the Entitlement Offer from Eligible Retail Shareholders from the Opening Date until 5.00pm (WST) on the Closing Date or such other date as the Directors shall determine, subject to the Listing Rules.

A completed Application Form, or payment made by BPAY®, must be received no later than 5.00pm (WST) on the Closing Date. It is the responsibility of all Eligible Retail Shareholders to ensure that their Application Form or BPAY® payments are received by the Company on or before the Closing Date.

The Shortfall Offer is currently scheduled to close on the Closing Date but the Directors reserve the right to extend the date that the Shortfall Offer closes by up to three months after the Closing Date, without prior notice.

## **2.13 Issue and Dispatch**

It is the responsibility of Applicants to determine their allocation prior to trading in New Shares. Applicants who sell New Shares before they receive their holding statements will do so at their own risk.

The issue of New Shares and dispatch of holding statements are expected to occur on the dates specified in the Indicative Timetable.

## **2.14 Application Monies held on trust**

All Application Monies will be held on trust in a bank account maintained solely for the purpose of depositing Application Monies received pursuant to this Offer Document until the New Shares are issued. All Application Monies will be returned without interest in accordance with the Corporations Act if the New Shares are not issued.

## **2.15 Application Forms and BPAY® payments**

Acceptance of a completed Application Form, or alternatively, a BPAY® payment, by the Company creates a legally binding contract between the Applicant and the Company for the number of New Shares accepted by the Company. The Application Form does not need to be signed to be a binding acceptance of New Shares.

If the Application Form is not completed correctly it may still be treated as valid. The Directors' decision whether to treat a completed Application Form as valid and how to construe, amend or complete the Application Form is final.

## **2.16 Rights and liabilities attaching to New Shares**

The New Shares will rank equally in respect of dividends and have the same rights in all other respects (e.g. voting, bonus issues) as existing Shares.

Full details of the rights and liabilities attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

The Company does not currently intend to pay any dividends. Payment of dividends by the Company will be at the discretion of the Board after taking into account many factors, including, but not limited to, the Company's operating results, financial condition and current and anticipated cash needs.

## **2.17 ASX quotation**

Application will be made to ASX no later than seven days after the date of this Offer Document for Official Quotation of the New Shares. If ASX does not grant Official Quotation of the New Shares within three months after the date of this Offer Document (or such period as the ASX allows), no New Shares will be issued or allotted under the Offers and the Company will return all Application Monies without interest in accordance with the Corporations Act.

ASX takes no responsibility for the contents of this Offer Document. The fact that ASX may grant Official Quotation is not to be taken in any way as an indication of the merits of the Company or the New Shares.

## **2.18 CHESS**

The Company participates in the Clearing House Electronic Subregister System, known as CHESS. ASX Settlement, a wholly owned subsidiary of ASX, operates CHESS in accordance with the Listing Rules and Securities Clearing House Business Rules.

Under CHESS, Applicants will not receive a certificate but will receive a statement of their holding of New Shares.

If you are broker sponsored, ASX Settlement will send you a CHESS statement.



The CHESS statement will set out the number of New Shares issued under this Offer Document, provide details of your holder identification number, the participant identification number of the sponsor and the terms and conditions applicable to the New Shares.

If you are registered on the Issuer Sponsored subregister, your statement will be dispatched by the Share Registry and will contain the number of New Shares issued to you under this Offer Document and your security holder reference number.

A CHESS statement or Issuer Sponsored statement will routinely be sent to Shareholders at the end of any calendar month during which the balance of their shareholding changes. Shareholders may request a statement at any other time, however, a charge may be made for additional statements.

## **2.19 Continuous disclosure obligations**

The Company is a 'disclosing entity' (as defined in section 111AC of the Corporations Act) and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company's securities.

This Offer Document is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

All announcements made by the Company are available from its website [www.paringaresources.com](http://www.paringaresources.com) or the ASX website [www.asx.com.au](http://www.asx.com.au).

Additionally, the Company is required to prepare and lodge with ASIC yearly and half-yearly financial statements accompanied by a directors' statement and report, and an audit report or review. These reports are released to ASX and published on the websites of the Company and ASX.

## **2.20 Taxation implications**

The Directors do not consider it appropriate to give Applicants advice regarding the taxation consequences of subscribing for New Shares.

The Company, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to Applicants. Applicants should consult their own professional tax adviser to obtain advice in relation to the taxation laws, regulations and implications applicable to their personal circumstances.

## **2.21 Risks of the Offers**

As with any securities investment, there are risks associated with investing in the Company. However, having regard to the risks applicable to the Company detailed in the "KEY RISKS" section of the Investor Presentation (included in Section 5), Eligible Retail Shareholders should be aware that an investment in the New Shares should be considered highly speculative and there exists a risk that you may, in the future, lose some or all of the value of your investment.

Before deciding to invest in the Company, investors should read this Offer Document in its entirety, in particular the specific risks associated with an investment in the Company set out in the "KEY RISKS" section of the Investor Presentation (included in Section 5), and should consider all factors in light of their personal circumstances and seek appropriate professional advice.

## **2.22 Withdrawal**

The Directors may at any time decide to withdraw this Offer Document and the Offers, in which case, all Application Monies will be returned without interest in accordance with the Corporations Act.

## **2.23 Privacy**

The Company collects information about each Applicant provided on an Application Form for the purposes of processing the Application and, if the Application is successful, to administer the Applicant's security holding in the Company.

By submitting an Application Form, each Applicant agrees that the Company may use the information provided by an Applicant on the Application Form for the purposes detailed in this privacy disclosure statement and may disclose it for those purposes to the Share Registry, the Company's related bodies corporate, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and regulatory authorities.

If you do not provide the information required on Application Form, the Company may not accept or process your Application.

An Applicant has an entitlement to gain access to the information that the Company holds about that person subject to certain exemptions under law. A fee may be charged for access. Access requests must be made in writing to the Company's registered office.

## **2.24 Cleansing Statement**

The Company lodged a Cleansing Statement with ASX on Wednesday, 18 September 2019. The Cleansing Statement may be reviewed on the websites of the Company and ASX.

## **2.25 No cooling off rights**

Cooling off rights do not apply to an investment in New Share. Except where permitted by law, you cannot withdraw your Application once it has been accepted.

## **2.26 Alteration of terms**

The Company reserves the right, at its discretion, to vary all or part of the Entitlement Offer at any time, subject to the Corporations Act, Listing Rules and any other law or regulation to which the Company is subject.

Any variation does not give rise to any liability on the part of, or action against, the Company or any of its officers and will be binding on Shareholders.

## **2.27 Governing law**

This Offer Document, the Application Form and the contracts formed on acceptance of an Application are governed by the laws of Western Australia.

## **2.28 Enquiries concerning Offer Document or Entitlement and Acceptance Form**

If you have any questions in relation to this Offer Document or the Entitlement and Acceptance Form, please contact the Company Secretary, Gregory Swan, on +61 8 9322 6322.

### 3. ACTION REQUIRED BY APPLICANTS

#### 3.1 Eligible Shareholders

Your entitlement to participate in the Retail Entitlement Offer will be determined on the Record Date. The number of New Shares which Eligible Retail Shareholders are entitled to is shown on the personalised Entitlement and Acceptance Form accompanying this Offer Document.

If you do not accept your Entitlement, then your percentage holding in the Company will be diluted.

If you are an Eligible Shareholder you may:

- accept all of your Entitlement (refer to Section 3.1(a));
- accept all of your Entitlement and apply for New Shares in excess of your Entitlement by applying for Shortfall Shares (refer to Section 3.1(b));
- accept part of your Entitlement and allow balance to lapse (refer to Section 3.1(c));
- allow all of your Entitlement to lapse (refer to Section 3.1(d)).

(a) *Acceptance of ALL of your Entitlement under the Entitlement Offer*

If you wish to accept your Entitlement in full, you should complete the Entitlement and Acceptance Form in accordance with the instructions contained in this Offer Document and detailed on the Entitlement and Acceptance Form, including the number of New Shares you wish to accept under the Entitlement Offer and the total Application Monies (calculated at \$0.07 per New Share accepted under the Entitlement Offer). Please read the instructions carefully.

Please return the completed Entitlement and Acceptance Form, together with the Application Monies (in full) in accordance with Section 3.3, to the Share Registry so that it is received at the following address by no later than 5.00pm (WST) on the Closing Date.

**Mailing Address**

Computershare Investor Services Pty Limited  
GPO Box 505  
Melbourne VIC 3001  
Australia

(b) *Acceptance of ALL of your Entitlement and applying for Shortfall Shares*

If you wish to accept your Entitlement in full and apply for New Shares in excess of your Entitlement by applying for Shortfall Shares, you should complete the Entitlement and Acceptance Form in accordance with the instructions contained in this Offer Document and detailed on the Entitlement and Acceptance Form, including the number of New Shares you wish to accept under the Entitlement Offer and apply for under the Shortfall Offer and the total Application Monies (calculated at \$0.07 per New Share accepted under the Entitlement Offer and applied for under the Shortfall Offer). Please read the instructions carefully.

Please return the completed Entitlement and Acceptance Form, together with the Application Monies (in full) in accordance with Section 3.3, to the Share Registry so that it is received at the following address by no later than 5.00pm (WST) on the Closing Date.

**Mailing Address**

Computershare Investor Services Pty Limited  
GPO Box 505  
Melbourne VIC 3001  
Australia

(c) *Acceptance of PART of your Entitlement and allowing the balance to lapse*

If you wish to accept part of your Entitlement and allow the balance to lapse, you should complete the Entitlement and Acceptance Form in accordance with the instructions contained in this Offer Document and detailed on the Entitlement and Acceptance Form, including the number of New Shares you wish to accept under the Entitlement Offer and the total Application Monies (calculated at \$0.07 per New Share accepted under the Entitlement Offer). Please read the instructions carefully.

Please return the completed Entitlement and Acceptance Form, together with the Application Monies (in full) in accordance with Section 3.3, to the Share Registry so that it is received at the following address by no later than 5.00pm (WST) on the Closing Date.

**Mailing Address**

Computershare Investor Services Pty Limited  
GPO Box 505  
Melbourne VIC 3001  
Australia

(d) *Allowing all of your Entitlement to lapse*

If you do not wish to accept any of your Entitlement, you are not obliged to do anything.

The number of Shares you currently hold and the rights attaching to those Shares will not be affected should you choose not to accept your Entitlement, however, your percentage holding in the Company will be diluted.

(e) *Enquiries concerning your Entitlement*

If you have any queries concerning your Entitlement, please contact the Company Secretary, Gregory Swan, on +61 8 9322 6322.

### **3.2 Ineligible Shareholders**

If you are an Ineligible Shareholder, you may not accept any of, or do anything in relation to, your Entitlement. Refer to Section 2.9 for treatment of Ineligible Shareholders.

### **3.3 Payment**

The offer price of New Shares under the Offers is \$0.07 per New Share.

Application Monies must be received by the Company by 5.00pm (WST) on the Closing Date.

Completed Application Forms must be accompanied by a cheque, bank draft or money order drawn in Australian dollars, made payable to 'Paringa Resources Limited' and crossed 'Not Negotiable'.

Eligible Retail Shareholders participating in the Entitlement Offer, and who wish to pay via BPAY® must follow the instructions on the Entitlement and Acceptance Form. You will be deemed to have accepted all or part of your Entitlement (as applicable) upon receipt of the BPAY® payment by the Company.

If paying via BPAY®, Eligible Retail Shareholders should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment and it is the responsibility of Eligible Retail Shareholders to ensure that funds are submitted through BPAY® by the date and time mentioned above. If you elect to pay via BPAY®, you must follow the instructions for BPAY® set out in the Entitlement and Acceptance Form and you will not need to return the payment slip forming part of the Entitlement and Acceptance Form.

The Company shall not be responsible for any postal or delivery delays, or delay in the receipt of the BPAY® payment.

### **3.4 Representations by Applicants**

By completing and returning an Application Form or by paying any Application Monies by BPAY®, in addition to the representations set out elsewhere in this Offer Document and the Application Form, you:

- (a) if participating in the Retail Entitlement Offer, represent to the Company that you are an Eligible Shareholder;
- (b) acknowledge that you have received a copy of this Offer Document and an accompanying Application Form, and read them both in their entirety;
- (c) agree to be bound by the terms of the Offers, the provisions of this Offer Document and the Constitution;
- (d) authorise the Company to register you as the holder(s) of the New Shares allotted to you;
- (e) declare that all details and statements in the Application Form are complete and accurate;
- (f) declare that you are over 18 years of age and have full legal capacity and power to perform all your rights and obligations under the Application Form;
- (g) acknowledge that once the Application Form is returned, or a BPAY® payment instruction is given in relation to any Application Monies, the Application may not be varied or withdrawn except as required by law;
- (h) agree to accept and be issued up to the number of New Shares specified in the Application Form at the issue price of \$0.07 per New Share;
- (i) authorise the Company and its respective officers or agents to do anything on your behalf necessary for the New Shares to be issued to you, including to act on instructions of the Share Registry upon using the contact details set out in the Application Form;

- (j) if participating in the Retail Entitlement Offer, declare that you were the registered holder at 5.00pm (WST) on the Record Date of the Shares indicated on your personalised Entitlement and Acceptance Form as being held by you at 5.00pm (WST) on the Record Date;
- (k) acknowledge and agree that determination of eligibility of investors for the purposes of the institutional or retail components of the Entitlement Offer is determined by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and the discretion of the Company;
- (l) acknowledge the statement of risks set out under the heading "KEY RISKS" in the Investor Presentation in Section 5 and that an investment in the Company is subject to risk;
- (m) represent and warrant (for the benefit of the Company and its related bodies corporate and affiliates) that you did not receive an invitation to participate in the Institutional Entitlement Offer either directly or through a nominee, are not an Ineligible Retail Shareholder and are otherwise eligible to participate in the Retail Entitlement Offer;
- (n) represent and warrant that the law of any place does not prohibit you from being given this Offer Document and the Application Form, nor does it prohibit you from accepting New Shares and that if you participate in the Retail Entitlement Offer, that you are eligible to do so;
- (o) represent and warrant that you are not in the United States and you are not acting for the account or benefit of a person in the United States;
- (p) you and each person on whose account you are acting understand and acknowledge that the New Shares have not been, and will not be, registered under the U.S. Securities Act or the securities laws of any U.S. state or other jurisdiction in the United States and accordingly that the New Shares may not be offered, sold or otherwise transferred to, persons in the United States or to persons who are acting for the account or benefit of a person in the United States except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any other applicable securities laws and you are subscribing for or purchasing New Shares outside the United States (i.e. in an "offshore transaction" (as defined in Rule 902(h) under the U.S. Securities Act) in compliance with Regulation S under the U.S. Securities Act);
- (q) acknowledge that, if you are acting as a nominee or custodian, each beneficial holder on whose behalf you are submitting the Entitlement and Acceptance Form is not in the United States, and you have not sent this Offer Document, the Entitlement and Acceptance Form or any information relating to the Retail Entitlement Offer to any such person in the United States; and
- (r) acknowledge that, if you decide to sell or otherwise transfer any New Shares, you will only do so in regular way transactions on the ASX where neither you nor any person acting on your behalf knows, or has reason to know, that the sale has been pre-arranged with, or that the purchaser is, a person in the United States.

### **3.5 Brokerage**

No brokerage or stamp duty is payable by Eligible Retail Shareholders who accept their Entitlement.



## 4. GLOSSARY

In this Offer Document, unless the context otherwise requires:

**\$** means Australian dollars.

**1.7 Mtpa Coal Production Milestone** means achievement of quarterly annualized coal production rate of 1,700,000 tons per annum from the Poplar Grove Mine.

**2.7 Mtpa Coal Production Milestone** means achievement of quarterly annualized coal production rate of 2,700,000 tons per annum from the Poplar Grove Mine.

**A\$** means Australian dollars.

**Applicant** means an Eligible Retail Shareholder who submits a valid Application.

**Application** means an application to subscribe for New Shares under the Retail Entitlement Offer or for Shortfall Shares under the Shortfall Offer (as applicable).

**Application Form** means an Entitlement and Acceptance Form or Shortfall Application Form (as applicable).

**Application Monies** means application monies for New Shares received by the Company from an Applicant.

**ASIC** means the Australian Securities & Investments Commission.

**ASX** means ASX Limited ABN 98 008 624 691 and where the context permits, the market operated by it.

**Board** means the board of Directors.

**Business Day** means Monday to Friday inclusive, excluding public holidays in Western Australia and any other day that ASX declares is not a trading day.

**CHESS** means ASX Clearing House Electronic Subregistry System.

**Cleansing Statement** means the notice lodged by the Company with ASX in accordance with section 708AA(2)(f) of the Corporations Act in respect of the Entitlement Offer.

**Closing Date** means the date referred to as such in the Indicative Timetable.

**Company** or **Paringa** means Paringa Resources Limited ACN 155 933 010.

**Constitution** means the constitution of the Company as at the date of this Offer Document.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Director** means a director of the Company.

**Eligible Retail Shareholder** means a person who:

- (a) is a Shareholder at 5.00pm (WST) on the Record Date;

- (b) has a registered address in Australia or New Zealand, as recorded with the Share Registry as at the Record Date;
- (c) is not in the United States and is not acting for the account or benefit of a person in the United States (to the extent such person holds Shares for the account or benefit of such person in the United States); and
- (d) was not invited to participate (other than as nominee, in respect of other underlying holdings) under the Institutional Entitlement Offer, and was not treated as an ineligible institutional shareholder under the Institutional Entitlement Offer.

**Entitlement** means a Shareholder's entitlement to subscribe for New Shares under the Entitlement Offer.

**Entitlement and Acceptance Form** means the entitlement and acceptance form attached to, or accompanying this Offer Document, that sets out the entitlement of an Eligible Shareholder to subscribe for New Shares pursuant to the Entitlement Offer.

**Entitlement Offer** has the meaning given to that term in Section 1.2.

**First Coal Production Milestone** means achievement of underground coal production from the Poplar Grove Mine.

**Indicative Timetable** means the indicative timetable on page 6 of this Offer Document.

**Ineligible Shareholder** has the meaning given to that term in Section 2.9.

**Investor Presentation** means the investor presentation in Section 5.

**Issuer Sponsored** means securities issued by an issuer that are held in uncertificated form without the holder entering into a sponsorship agreement with a broker or without the holder being admitted as an institutional participant in CHESS.

**Lead Manager** means Argonaut Securities Pty Ltd.

**Listing Rules** means the official listing rules of ASX.

**Nameplate Production Milestone** means achievement of quarterly nameplate coal production (as per the final bankable feasibility study) from the Poplar Grove Mine.

**New Share** means a Share offered pursuant to this Offer Document.

**Offer Announcement** has the meaning given to that term in Section 1.1.

**Offer Document** means this offer document dated Friday, 20 September 2019.

**Offers** means the Entitlement Offer and Shortfall Offer.

**Official Quotation** means quotation of Shares on the official list of ASX.

**Opening Date** means the date referred to as such in the Indicative Timetable.

**Poplar Grove Mine** means the Poplar Grove Mine operated by the Company and located in western Kentucky, Illinois Basin.

**Proposed Royalty Financing** means the proposed and conditional US\$9 million royalty financing from Tribeca Global Resources Credit Ltd and/or other lenders to the Company (see the Investor Presentation for further details).

**Proposed Term Loan Amendment** means the proposed amendments to the Term Loan Facility agreement between Tribeca, Company and other parties (see the Investor Presentation for further details).

**Record Date** means the date referred to as such in the Indicative Timetable.

**Retail Entitlement Offer** means the offer of New Shares to Eligible Retail Shareholders under the Entitlement Offer.

**Retail Settlement Date** means the date referred to as such in the Indicative Timetable.

**Section** means a section of this Offer Document.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a registered holder of Shares.

**Share Registry** means Computershare Investor Services Pty Limited.

**Shortfall** means the New Shares not applied for under the Entitlement Offer.

**Shortfall Application Form** means the application form attached to, or accompanying this Offer Document, to be used for the purposes of applying for Shortfall Shares under the Shortfall Offer.

**Shortfall Offer** has the meaning given to that term in Section 2.4.

**Shortfall Shares** means the New Shares constituting the Shortfall.

**Tribeca** means Tribeca Global Resources Credit Pty Ltd (as agent) and other parties.

**US\$** means United States dollars.

## **5. ASX OFFER ANNOUNCEMENTS**

**Offer Launch Announcement dated 18 September 2019**





PARINGA RESOURCES LIMITED